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CREDIT INTERCHANGE BUREAUS
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CREDIT

and

Financial Management



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Richard G. Tobin
Editor and Manager

Paul Haase
Associate Editor

Clifford T. Rogers
Advertising Manager

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The fourth decade

With the new year we are at the half-way point in the fortieth year of the Association's existence. Because this is the period when inventory taking is widespread, it is an excellent time for each of us, as members of the National Association of Credit Men, to spend a few moments thinking over the accomplishments of the past four decades and the possibilities of accomplishment in the decade beginning June 23rd, which is the exact date of the opening of the N. A. C. M.'s first convention in Toledo in 1896.

As a youngster I well remember the visit of an English business man to my parental home. He was a customer of Father's. Of course, it was quite an event and I listened attentively to every word our distinguished guest had to say. I remember Father giving him an outline of the company's policies and our guest remarking, when Father had finished, that Father needn't go into that since he, the Englishman, had noticed that Father's firm had been established just forty years before.

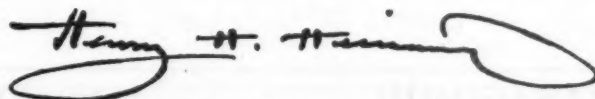
"No one, Mr. Heimann," he said, "could be in business for forty years unless their policies were sound."

Likewise, it is certain that no credit organization could be in business forty years, surviving three major depressions, unless its policies too were sound. One need only look back to the chaotic conditions of 1896, to the conflict in credit practices, to the inadequate legislation for the protection of receivables, and the many other instances, to realize just how the efforts of the National Association of Credit Men have contributed to business stability and business progress.

Especially pertinent, therefore, are some of the pages of this current issue in which you will find such an interesting account of the early years of the Association and the activity attendant upon its origin written by one of our '96 veterans, Mr. William H. Taylor. The tabulation, year by year, of the annual achievements of the Association will be especially interesting after a reading of Mr. Taylor's narrative. The development of the Credit Groups and the Credit Women's movement, the growth of our Credit Interchange and Collection-Adjustment Bureau systems—all are testimonials to the Association's real worth. This is admirably summed up by Mr. Hamerin, one of our National Directors, in his stimulating article on "What We Get Out of the Association."

But we must not look too long at the past. There will continue to be work ahead. In a fast-changing world, business must keep abreast of the times. It is significant that almost every development in the field of commercial credit has been pioneered by the National Association of Credit Men.

Your organization pledges itself in 1936—as in the years to follow—to continue the promotion of sound credit practices and the sponsorship of even greater recognition of the important part that credit management through the credit department plays in the business world today.



Executive Manager, N.A.C.M.

Collection bookkeeping

by DANIEL F. SECORD,
Former Treasurer,
Rex Cole Inc., New York

CThe collection department of a modern organization is often made up of elements which are not denoted by its name. In the minds of most executives and others, the sole function of a collection department is to collect the money owing to the company, just as it is the sole function of the sales department to sell and take orders for the company's products. The collection department's efficiency is gauged only by the results of its collection efforts.

Too often however, the collection activity of the collection department is only part of the work they are called upon to do and a record keeping function is imposed on them which is of importance but for which they receive little credit.

The record keeping work to which I refer is the keeping of the accounts receivable record. When this bookkeeping function is performed by the collection department, definite consideration should be given to it and to be logical, the department should be renamed, perhaps as the "Collection and Accounts Receivable Bookkeeping Department" so as to draw attention to its dual functions.

For obvious reasons, the salesman of a company is never expected to keep the bookkeeping record of his customers. Similarly, I believe the record keeping of the collection department should be reduced to a mere memorandum built up solely for the purpose of helping his collection function and subject to check at monthly intervals with formal bookkeeping records from a bookkeeping department whose function is bookkeeping and that only.

The difference in time between building up a memorandum record and one which is formal and to be proved in amount by a trial balance into the general books, is probably in the neighborhood of seventy-five per cent or more. The memorandum rec-

ord will be more subject to error but if it is checked each month to a record prepared by a purely bookkeeping department, the errors will be quickly located and found to be of small consequence. Often a memorandum record can be so constructed as to be a positive help in the collection function, whereas if it is a bookkeeping record



Machine methods

made to tie in with the general books, its form is conventional as part of a double entry system and to that extent can not be used for collection purposes.

The proving of any record into the general books by a trial balance or a list of accounts showing a correct total which proves the equality of debit and credit entries, takes a great deal of time. The extent of this labor is often overlooked or it is considered only as a temporary difficulty which will probably not recur. It does recur however and with persistent regularity, but due to the clerk's hesitancy in stressing this work, because it is a direct reflection on his accuracy, the

executive or office head often fails to realize the amount of time lost from productive collection effort.

I believe that collection departments would be relieved of bookkeeping functions if the following viewpoint of office procedure was accepted and if the bookkeeping method outlined was installed.

A modern office can be divided into three parts:

1. Functional
2. Bookkeeping
3. Statistical

If these three groups can be so ordered that each keeps to its own work, all will become efficient in their particular duties and it will eliminate confusion in thought.

By functional worker I think of one whose acts change the asset or liabilities of the company. A collection clerk is a functional worker—when he collects an account he changes the assets of the company from an accounts receivable to cash.

By bookkeeping, I mean the recording of the acts of the functional workers in a conventional double entry bookkeeping system.

By statistical I mean the preparation of figures for the information of the management from the records in a form suitable to the management's comprehension, but perhaps different from the double entry bookkeeping form.

It is my contention that if these three office functions are kept separate and distinct, the office work will be more easily comprehended by all. A functional worker whose attention is distracted by being forced to attend to some part of the bookkeeping or statistical work, is at a disadvantage. In my experience, details bookwork does not mix with other activity and the functional clerk will lose his ability if he has figure work to worry him. The work of all three groups must of course prove with each other.

For instance, the Treasurer's department as a whole is a functional department and should be so considered though it may embrace the collection department. All moneys received should be banked by this department and the information in regard to the items passed on to the collection department for application to the various correct accounts in the form of numbered slips giving in memorandum the information received by the Treasurer's department with each remittance. The collection department, after properly identifying to an account each remittance, should pass the numbered slips to the bookkeeping department for posting and they, in turn will provide the Treasurer's department with record of postings so that the items can be checked by the Treasurer's department by number and amount.

To separate the three office functions we must concentrate our thinking on the bookkeeping system to be used and I give some thoughts on bookkeeping in general and on a particular method which allows this to be done.

We find that in present day bookkeeping practice there is an astonishing variety of forms, books, methods and results. Often only the bookkeeper working daily at the books can grasp at all the confused results part statistical, part functional and part bookkeeping, which make up his system.

To realize why this is true and to see how easily it can be corrected with surprising results in savings and enlightenment to the company executive, we must think somewhat of the history of bookkeeping.

In olden days the counting house of a large merchant was filled with clerks standing at high desks, writing and copying in detail the results of the business transactions. Each transaction was reported to the counting house or office and was there first copied into a day book or business register. From this book, which was a diary of the daily happenings, the items which indicated a change in the assets or liabilities of the merchant, were copied in meticulous detail, to the large ledgers. Each ledger sheet represented a certain asset or a certain debt account and if the merchant's record system was complete, there was also a ledger sheet in a separate book for each class of expense payments or income items and each of these ledger sheets showed in

detail the individual items which made up the total of that account.

Clerks were cheap and their hours were long. The result was good. The merchant, by looking at any account, could read and comprehend. If his clerks, whose knowledge of the business was not as great as his, put items in an account which his business judgment indicated should not be there, he would be able to see the item easily and have it transferred elsewhere.

These old time records were extremely simple and could be understood by anyone who had the opportunity of reading them, as each account was self explanatory.

As business expanded and wages rose, this simple bookkeeping method became very costly. Not only because the work of entering each transaction into a diary and then copying it to a ledger sheet took so much time, but

tain items would be posted. Often this method was carried so far that the ledger sheets would only show two or three items each month and to know what these represented, a search must be made through the various subsidiary day books. In many cases these subsidiary books became further refined in an effort to save costs or to present statistical information, so that reference would have to be made to the original vouchers or papers.

Logical as these changes were from an expense standpoint, their adoption changed at once the relation between the merchant or executive business head and his clerks. No more could he correct the reasoning of his clerks by a reading of the items in an account. To understand, he must ask for a detailed analysis of each account and the clerks were then called on to do the work that was involved before they put



... have generally eliminated such scenes as these.

also because it became a great burden to prove that the copying had been done correctly and that the amounts in the respective ledger sheets were true to those in the day book.

To save expense and to aid accuracy, the day book was eventually broken into parts and we find a cash day book, representing the daily receipts and disbursements of money. A voucher register, covering only the bills for materials purchased; a sales book covering sales billed etc. Each of these books were often further expanded by adding columns to accumulate certain often repeated items so that instead of each item being posted to its proper account, only the accumulation of cer-

their saving methods into effect and often the analysis would reach the executive too late to be of use to him in formulating business policies.

In practice, the service of an outside auditor was used to make a periodical check on the accounts and the reasoning used by the clerks. However, as neither the clerks nor the auditor have the executive's comprehension of the changing business, this move does not greatly help.

Fundamentally, bookkeeping is so simple that it can be grasped by anyone. If it ever appears complicated, or not understandable, it is because it has been confused with functional activities or statistics. Under the old

fashioned bookkeeping method which has been mentioned, it would not matter how great the business grew because each phase would be so clearly detailed in its account that it could be thoroughly comprehended by inspection and each part, after being understood, could be grouped and re-grouped into totals.

It is not generally recognized that the advent of the modern bookkeeping machine has supplied a tool that enables us to go back to the simple sound bookkeeping methods of old and regardless of the magnitude of the transactions involved, to open the records again to the direction and use of the executive head and this with less cost.

A system which was based on the thoughts outlined has been in operation for five years in a commercial establishment doing a complicated business which rose to ten million a year. The result was audited and checked by Certified Accountants and praised. It is safe to say that the office costs were half as much as under any other method but the result was one of enlightenment to the company executives who were able to comprehend the ramifications of the necessary office procedures and take pride in its accomplishment and use their knowledge to the advantage of the business.

A very prominent firm of public accountants, after auditing these records for several years, wrote at my request the following outline:

"The accounting department of a prominent distributor of electric refrigerators has developed a system of general bookkeeping which, in actual practice has proved very satisfactory, being economical in operation and permitting of the quick preparation of reports and statistical data after each monthly closing. The system, which appears to be readily adaptable to many mercantile businesses in which monthly financial reports are desired, is described as follows:

The permanent bookkeeping records consist of basic documents or vouchers, serially numbered and referenced, loose leaf registers corresponding to the usual books of original entry, loose leaf ledger sheets, prepared in duplicate and filed vertically by account numbers, and an assembled and summarized trial balance. The duplicate ledger sheets are in "statement" form and are filed in folders, each bearing on the front leaf a lined and columnar ruled form,

on which are recorded the monthly audit analysis and cumulative totals of the ledger account filed therein.

The classification of accounts is very comprehensive. The monthly trial balance sets forth balances of all accounts, thus facilitating the preparation of the record of budget comparison. This record provides for various assemblies of data, all details of which are taken from the trial balance. For example, sales, expenses, and net profit are shown by classes of product, by territories, and in total.

Accounts receivable are assembled by sections in the ledger file and in the trial balance, thus providing totals by sections, territories, etc., without the mass of bookkeeping detail that would be required if separate section controlling accounts were used.

The recording of all bookkeeping entries is performed by two machine operators, who also prepare the monthly trial balances. The machine used is a "stock" bookkeeping machine, with typewriter keyboard and adding unit or totalizer. A detailed, numbered classification of accounts has been set up, with no controlling accounts, each account having a separate ledger sheet. All income and expenses are budgeted



and a running record is maintained showing the budget and actual figures for each account, each month, and the accumulated total to date, with appropriate departmental summaries. The budget record and summary reports prepared therefrom and from the trial balance, are not handled by the machine operators, whose work is completed with the preparation of the monthly trial balance.

All transactions are routed to the

bookkeeping department by means of serially numbered documents or vouchers. The principal classes of transactions and related documents or vouchers are as follows:

Class of Transactions

- Sales
- Cash receipts
- Cash disbursements
- Purchases
- Journal entries

Documents or Vouchers

- Carbon copy of sales invoices
- Remittance advices
- Carbon copy of checks
- Purchase invoices
- Journal vouchers

For each class of transaction there is a rack in which are accumulated the documents or vouchers to be used in posting. These racks are placed so as to be readily visible to the officials in order that any delays in posting can be noted immediately. After recording, the basic documents and vouchers are filed serially, permitting ready reference if desired, as all serial numbers are referenced on the registers and ledger sheets. This has been found to save considerable time in tracing the source of entries under investigation.

The racks are usually cleared daily, so that the posting is kept right up to date. About 12,000 postings are made each month, and these are easily handled by two operators and machines. Postings, with the accompanying registers, are handled in batches or blocks, for example, all sales invoices ready for posting are entered and adding units cleared on the machines before posting another class of transactions. The forms of registers and ledger sheets are so arranged, and machine margin-guides are so fixed, that when the forms are inserted in the machine all debit columns are superimposed and in proper relation to the corresponding adding unit, the same being similarly true of all credit columns.

Upon the completion of the block of postings the accumulated totals in the adding unit are posted to the proper account; for example, the total of sales invoices posted to the debit side of customer's accounts is posted to the credit side of the sales ledger sheet account, whereupon the adding units are cleared. Two other adding units of the same machines are used to prove each posting mechanically, by pick-up of the last previous balance (Continued on page 31)

Announcing:



*The J. H. Tregoe Memorial
Prize Essay Competition*

General Subject: CREDIT

Specific subjects will be announced shortly

**Cash Awards for
Winning Essays**

Full details will be published in the February issue of Credit and Financial Management

What we get from the Association

by F. J. HAMERIN, Lilly Varnish Co., Indianapolis, Ind.; National Director, N. A. C. M.

What we get out of the Association can be briefly summarized, in my opinion, in this manner:

The National Association of Credit Men and its affiliated service units equip every commercial credit manager and financial executive who is an active member of the Association, with the largest competent credit service department; a credit service department highly efficient and economical; unique in its ability to render services tangible and intangible; and impartial in its desire to serve debtor and creditor alike, to insure profitable executive administration of credit problems for all classifications of industry.

Let us scrutinize the methods of this modern world—often called a “credit society”—which clearly reveal the importance of our competent credit service department. Many authorities classify the stages in the evolution of industry as follows:

- Barter economy
- Money economy
- Credit economy

The mechanisms of credit would, therefore, appear to be the center and core of modern commerce and finance. While this characterization may well be pushed too far, it is certainly true that credit today is found in practically every variety of business transaction; and is, in fact, the basis for the great mass of commercial exchange.

The divisions of credit have been classified as follows:

- Public credit
- Capital credit
- Individual or personal credit
- Banking credit
- Mercantile credit.

It hardly seems necessary to consider in detail just what is meant by these various divisions of credit.



Let us consider whether the perseverance and courage of the founders of our Association is justified by actual experience. I shall attempt to testify in behalf of our credit service units, locally and nationally, by referring first to that phase of service rendered which we know as the “Business Service Department.”

Two years ago I called on Mr. Harry Cline, Manager of the Business Service Dept., Chicago Association of Credit Men, to discuss with him a customer of ours who, in my opinion, was in need of good counsel and advice which I felt confident only this Business Service Dept. could give him.

After ascertaining this company's financial condition at that time, and with a clear understanding of the problems involved, it was decided to

first determine whether the owner of the business would be willing to accept the counsel and advice of our Credit Service Dept. It is hardly necessary for me to say that it was my job to convince this customer of the value of this service to him. We called at the Chicago Association offices, and the customer was astounded by the facilities of this credit service bureau. It gave me a great deal of pleasure to tell him that this was only one affiliated service unit of the National Association of Credit Men.

I can testify to the fact that it was my privilege to receive from the Business Service Dept., of the Chicago Association of Credit Men, monthly operating statements pertaining to the continued operation of this business; that the debtor concern successfully corrected the many difficult conditions existing in its business and changed its operation from a deficit to a profit; that thousands of dollars were paid on a long past due indebtedness, and that purchases are now paid for on a discount basis.

I can also testify to the value of our National Credit Department service, recalling a government contract supplier who, at the time the NRA Codes became effective, found himself in the position of having to fulfill his government contract with a loss of approximately \$41,000. You will recall that our government at the time assured government contractors that provisions would be made to reimburse them for the increased cost of fulfilling their contracts. It was only after letters urging the passage of the bill were written by this government contract supplier to his Congressman, his Senator, and to his suppliers, urging them to do likewise, that it occurred to me

that I might appeal to our Executive Manager, Mr. Heimann, to see if he might offer assistance in meeting this emergency, not only for this individual government contract supplier, but for hundreds of others as well.

I directly credit Mr. Heimann with the responsibility for the timely passage of House Bill H R 9002, a bill to provide relief to government contractors whose costs of performance were increased as a result of compliance with the Act approved June 16, 1933.

I wish to mention that this bill, which was prepared for the specific purpose mentioned, in compliance with the Act approved June 16, 1933, was presented before the House by Mr. Sumners of Texas on April 9, 1934, approximately thirty days after the matter was called to Mr. Heimann's attention, but one year after the Act had been approved. I don't suppose it is necessary to mention the importance of this House bill to these hundreds of government contractors, and in passing may I say that I know our Washington Service Bureau is ready and willing to continue the task of assisting these government contract suppliers in securing the ultimate payment of their respective claims.

It isn't difficult for me to relate the numerous cases placed in the hands of the collection and adjustment bureaus of our competent Credit Service Dept., permitting me to give evidence from actual experience that the collection service produces maximum results and does maintain good will; that the adjustment service does specialize in friendly liquidations and the reorganization of the debtor's affairs.

A case in Michigan, which involved a debtor obligation of approximately \$5,000 was liquidated to the mutual advantage of the debtor and the creditor. The method of adjustment involved the creditor's acceptance of Tax Anticipation Warrants which had been accepted by the debtor from his customers. The account was successfully collected and the Tax Warrants eventually paid, with interest.

This is just one of numerous cases.

I vividly recall a case three years ago, when a small group of creditors, all Association members, met in the debtor's office to consider what procedure should be followed to accomplish an orderly liquidation of the business for the benefit of all concerned. The Adjustment Bureau manager of

the local service unit of our competent credit service department was present. After careful consideration had been given to the condition of the business, it was decided that a Creditor's Committee could successfully liquidate this business, with the assistance of the service unit. I had the privilege of serving as Chairman of the Committee, which successfully paid the creditors 70c on the dollar. A similar case a short time ago paid the creditors 100c on the dollar.

A current case is that of a business operating under a Trustee Agreement, the five Trustees on the Committee representing eighty-one creditors. These five creditor Trustees are all Associa-



tion members of the local service unit of our competent credit service department and they were successful in taking the business out of bankruptcy into Trusteeship. The owners of this company felt that creditors could only hope to receive about 20c on the dollar. The creditors have received 30c on the dollar, and the present asset value of the business to creditors is equivalent to an additional 40c on the dollar.

I wish to emphatically state that it would be utterly impossible to serve debtor and creditor in this manner without the able assistance of our competent credit service department, composed as it is of its service units functioning effectively locally and nationally.

The most important service of our competent credit service department is our National Credit Interchange Bureau System. It is the logical result of the desire of those engaged in the field of commercial credit for an economical and efficient medium for the co-operative exchange of the paying record of all commercial credit transactions.

This service is designed by and for credit executives. It furnishes facts;

it does not attempt to impose its opinions on those whose position, experience and training assure their greater ability to pass final judgment on credit risks. Its basis of co-operation is the customer. It brings all creditors of the customer together. It breaks down that competition which inevitably exists, where intelligent co-operation between individual creditors and groups of creditors does not prevail. Its purpose is to destroy the competitive barriers existing between markets and industries. It recognizes these fundamental principles:

That no credit manager or financial executive is the master of his own destiny in the handling of credits; that his success in maintaining a satisfactory volume of business with a minimum of loss depends in part, upon his own activities, but in a greater degree upon the activities of others; that he protects himself in part, by securing the payment record of other creditors, but in a greater degree by supplying other creditors with the payment record of the credit transactions under his supervision, not in piecemeal fashion or co-operation with a limited number, but with all other creditors of his customers.

This service is owned and controlled by credit managers and financial executives who are responsible for its development as a National service to reduce bad debt losses. Fair, impartial tests, conducted by creditors in various industries reveal that this service develops more actual payment record information than any other credit service organization. There are no repetitions; no splitting of comments, no carrying over of old information from one report to another and submitting it under an up-to-date heading.

Credit Interchange is the only existing medium through which all creditors can exchange payment record information whereby they can protect themselves against the individual who uses the information of others but refuses to give his in return; and against the use of this information for selling.

I submit substantial evidence of firm belief in these statements.

The Credit and Collections Committee of the National Paint, Varnish and Lacquer Association met in Washington on January 31, 1934, reviewed the report of the previous year, carefully studied the credit problems facing our industry, and drafted a program for the primary purpose of strengthening the organization of credit in our

industry. The program submitted is as follows:

"Business, large and small, recognized many years ago that the process of extending credit required an individual who fully recognized that credit could not be granted indiscriminately; that the character, business ability and financial responsibility of the credit seeker must be ascertained if unusually bad debt losses were to be avoided and the proper liquidity of a firm's finances maintained. To an individual or individuals equipped by the necessary experience should the responsibility of granting credit be entrusted, and any urge to run contrary to his or their judgment, simply to establish a temporary increase in sales volume generally results in losses that would otherwise be avoided.

(2) To the same extent that the quality of work of a mechanic depends upon the tools with which he is provided, the effectiveness of a credit man is governed largely by the degree of completeness of the information available to him.

Bank information and reports furnished by Mercantile Agencies provide data that is indispensable in establishing the financial responsibility of many concerns, but these agencies of information are inadequate:

(1) When investigating small dealer accounts, paint contractors and painters, and many classes of consumers.

(2) In providing current information of methods followed by large and small credit seekers in meeting their obligations.

As the painting contractors, painters and small capitalized dealers represent a large proportion of the outlets through which paint products are marketed, and contribute substantially to the Bad Debt Losses of the industry, it is essential to the intelligent servicing of this class of customers that the paint credit men have available to them a means by which they can secure information on the paying habits of their customers from the following:

(1) From the local paint manufacturers or distributors.

(2) From paint suppliers located in outside markets.

(3) From firms in other industries that sell to their customers.

The most effective method whereby local paint suppliers' information can be developed is through a "Local Paint Credit Group." A group composed of

the local paint credit men (and credit men of allied industries, such as hardware jobbers, wallpaper manufacturers and jobbers, glass, brush and painter supply manufacturers).

There exist today, local paint (or paint and hardware) credit groups in the following markets: Atlanta, Baltimore, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Indianapolis, Kansas City, Louisville, Milwaukee, New Orleans, New York, Philadelphia, Portland, San Francisco, St. Louis, Seattle, and Washington, D. C.

Not only do local paint credit groups

CREDIT TURNS TREND TOWARD PROSPERITY



make payment information available, but they serve to establish a degree of confidence among the credit men that results in considerable betterment to the credit structure of industry in the markets where groups operate.

It is strongly recommended, wherever possible, that Paint Credit Groups affiliate with the local Credit Men's Association (Unit of the National Association of Credit Men) for the following reasons:

(1) It insures intelligent and competent administration.

(2) It affords the only practical means by which the payment information collected in any paint market can be made interchangeable with other markets.

(3) Through the Interchange Bureau of the National Association of Credit Men, it furnishes the facility required to provide the payment information of firms in other industries that sell to the customers of the paint industry.

Briefly, the Interchange Bureau is composed of sixty units located in all sections of the United States. More than nine thousand firms contribute the payment information of their wholesale accounts. The Bureau's records contain a record of the payment habits of three million manufacturers, wholesalers, and retailers in the United States. The information collected by the sixty Bureaus is made available (through a central clearing bureau) to every subscriber. The Interchange Bureau issues in excess of ten million reports annually. Approximately four hundred and twenty-seven paint manufacturers subscribe and furnish their customers' payment information to it.

Because of the indispensable information that the Interchange Bureau of the National Association of Credit Men makes available, the Credit and Collections Committee recommends that the members of all Paint Credit Groups subscribe to the Interchange Bureau, so that its information can be made as complete as possible, insofar as the paint industry is concerned.

Almost every credit man in the industry can recall one or more experiences in the past where a line of credit extended to a new customer simply served to pay a competitor's account and ultimately resulted in a Bad Debt Loss. Does it not seem sensible to take advantage of the facilities of the Interchange Bureaus to avoid recurrences of this kind?

It is the objective of the Credit and Collections Committee of the National Paint, Varnish and Lacquer Association to complete its chain of National Paint Credit Groups and their 100 percent use of the services of the National Association of Credit Men and affiliated service units, by the end of this year. Whether or not this objective will be attained in your market rests entirely upon the interest and activity placed behind the recommendations outlined in this program by executives and credit men of the member firms of our industry."

This program adopted and approved by the Trade Sales and the Industrial Sales Divisions of our industry, was presented to the entire membership of the National Paint, Varnish and Lacquer Association through the industry's local clubs, existing in all markets. In my opinion, it unquestionably recommends to every other division of industry, the adoption (Cont. on page 37)

Leap year and Washington

What's ahead for business from the legislative angle in '36?

by CHARLES F. BALDWIN, Manager, Washington Service Bureau, N. A. C. M.

The year 1936 A.D. and 4 N.D. (New Deal) will almost certainly mark a momentous page in the history of this country. It will witness a choice of the public between divergent schools of economic thought—a choice which may chart the course of the country's future economic and social movement. It will bring final judicial decisions on several acts of Congress which represent major policies of the New Deal. It may bring international developments which will test the wisdom and strength of our foreign policy and those who shape it.

Finally, the year will be ushered in by a session of Congress whose acts may have a more than ordinarily important influence on the trend of national affairs.

As the year begins we see a rather curious combination of reassuring and disturbing national conditions. Clearly evident is the upturn in business but equally clear is the relatively small decrease in the number of the unemployed. Reassuring are indications that the Administration wishes to reduce government expenditures and bring the budget nearer to balance but disturbing are the conditions which tend to hamper the enforcement of economies. Gratifying are official statements that business may be relieved of some of the irritations and pressure that have characterized the past three years but bewildering is the confusion of statements in high official quarters which tends to obscure rather than to clarify policies.

Particularly disturbing to business is the uncertainty regarding what Congress may do in the way of restrictive legislation, large appropriations, the Bonus, and various measures of questionable soundness—now pending or to be introduced—whose authors will

probably press for action during the session. Another cause of uncertainty is the knowledge that during the year the Supreme Court may render decisions regarding the constitutionality of certain laws which may vitally affect the trend of the present policies of the

The opinions expressed in this article are views which the writer—somewhat in the capacity of an "inquiring reporter"—has found among careful observers of the Washington scene. It may be well to point out here that the brief articles on Washington developments which are prepared by Mr. Baldwin from time to time for "CREDIT AND FINANCIAL MANAGEMENT" are always presented from factual viewpoints. They represent reports of conditions or views in Washington as they are seen by the writer and are presented without bias.

Administration. The continued governmental administrative difficulties and the lack of coordination of many governmental agencies charged with the administration of important policies, present further problems to complicate the situation.

Continued price increases, with the possibility of further increases for a considerable period of time, added to the fears of inflation inspired by unusually heavy excess bank reserves and other conditions, are disquieting elements in the economic picture.

Any attempt to prophesy events in 1936 is complicated by the existence of the major unpredictables in the picture: Congress and the election. A few general opinions, however, may be offered as reflecting the current of Washington thought on some aspects of the situation.

CONGRESS

Although a short session of Congress would be politically (from the Administration's viewpoint) and economically advisable, adjournment may not come before early summer. A number of major issues—including the Bonus, taxation, relief appropriations and neutrality—will be considered and probably will be the subject of extended and vigorous debate. Scores of other matters of almost equal importance will also require action. The Townsend Plan, which is rapidly assuming more political importance, may be a storm center in Congress before adjournment.

Every session of Congress immediately preceding a Presidential election is dominated by political considerations and the present session will be no exception. Legislators will be torn between the political urge to appropriate funds and pass bills which will please constituents and the growing necessity to quiet the increasing public criticism of the budgetary deficit. A middle course policy will probably be the objective with the Bonus provided to appease the veterans vote and administrative expenses somewhat reduced to evidence a renewed interest in government economy.

Whether it will be possible to maintain this policy in view of the rapidly increasing agitation in favor of the Townsend plan and other proposals which may develop as by-products of that plan, is a question which cannot be answered at the present time.

Conjecture at this time regarding action on many specific bills would be largely guesswork but Washington opinion generally feels that the Social Security Act is likely to be amended in some particulars; the neutrality act tightened up rather than relaxed; and

various bills of an obviously inflationary character (such as the farm mortgage re-financing measure) defeated either by vote or veto. It appears doubtful if a substitute for the National Industrial Recovery Act will be enacted. Whether the Black 30-hour bill or the O'Mahoney bill to license business will be aggressively pushed is doubtful but both measures will bear watching by business men. There is likely to be a decrease in the number of so-called "reform" bills but probably a good crop of bills introduced more for reasons of expediency than for their soundness. A large increase in taxes will probably be avoided for political reasons.

THE ADMINISTRATION

Criticism today against the New Deal is generally classified in Washington according to five general types: (1) politically motivated criticism (2) non-political condemnation directed against the entire Administration—usually non-specific and frequently reactionary (3) radical criticism against the "conservatism" of the New Deal; (4) criticism aimed only at certain policies of the Administration and (5) criticism from those who are generally in agreement with New Deal objectives and policies but who complain about the way in which the plan is being carried out.

During the pre-election months of 1936 it is to be expected that the activities of the Administration will be influenced to a certain extent by political expediency. It will be strange, indeed, if every effort is not made to reduce or eliminate as much criticism as possible. Criticism falling within the first two categories mentioned above will, obviously, be met by counter-attack. Some efforts will undoubtedly be made to win back those among the ultra-liberal and progressive element who have lost confidence in the New Deal. But it is the critics whose complaints fall within the last two categories who will probably receive most attention from New Deal leaders.

These critics include farmers who believe they have been helped by some New Deal policies and harmed by others; white-collar employees who may have been adversely affected by some New Deal acts; recipients of relief aid who have real or fancied grievances; citizens of communities which have

been refused P.W.A., W.P.A. or other projects; and intelligent and well-informed citizens who question the efficiency of the Administration more than its policies and who fear the continued high level of government expenditures.

Without attempting to forecast the specific moves which will be made to increase the public popularity of the New Deal during the coming months a general estimate of the trend of policies may be made.

Already, announcements of reduced expenditures have been made and, in Washington, administrators are endeavoring to effect more economies and eliminate some of the more obvious administrative confusion. To bring

warm reception of Major Berry's conference in Washington and the vigorous attacks on the New Deal by large business organizations, is problematic. Continued efforts will probably be made to effect some sort of substitute for the N. R. A. to appease labor and some elements of so-called "small business." As election time nears, however, the Administration may find it expedient to relax its efforts to regain the support of organized business and concentrate its attention on Labor and Agriculture to an even greater extent than at present.

In this connection it is important to note that organized labor, while supporting the Berry Conference, is ob-

1929	—	Marathon dancers
1930	—	Tom Thumb golf
1931	—	Tree sitters
1932	—	Jig-saw puzzles
1933	—	Bank runs
1934	—	Hog-calling contests
1935	—	"Scratch out the top name and send a dime"
1936	—	? ! ? ! ?

—Exchange

about anything approaching real efficiency and economy of operation in some of the new agencies is, however, extremely difficult because of their mushroom growth. Many of them are trying to accomplish objectives whose very nature would suggest careful planning and development. Having been thrown abruptly into the work of carrying out these tremendous tasks with organizations built up in a short time it may prove almost impossible to effect economies and increase efficiency without slowing down the projects already under way. To do that—even in the interest of better administration—during an election year may prove to be too inadvisable politically to be undertaken seriously.

A continued and concentrated attack by the Administration on the serious problem of unemployment may be expected. How to carry on this attack and, at the same time, reduce direct relief expenditures by shifting a large part of the burden to states and municipalities is one of the Administration's most serious current problems.

Whether the olive branch will continue to be extended to business by the Administration after the recent luke-

viously not clinging to the forlorn hope of reviving the N. R. A. While Labor's active participation in the conference indicated a willingness to cooperate with the Administration and a determination to be "in on" any developments sponsored by the Administration, it is generally believed that labor is looking more and more to specific legislation to accomplish its objectives. By specific legislation is meant such measures as the Guffey and Wagner Acts and the pending O'Mahoney bill. Further efforts in that direction by organized labor may develop during 1936.

A few shrewd observers of Washington conditions believe that one purpose of the Berry Conference was to give organized business a well-publicized chance to offer cooperation to or withhold it from the Administration. This view holds that the Administration—having extended the invitation to business men to discuss problems—can now say to the public, in effect; "You see, we invited business to give us their suggestions and were turned down. Labor and some business men met with us but many of the business leaders apparently want only a return to 1929."

Better times in '36 says Economic Credit Council

EC Almost unanimously, the members of the Economic Credit Council believe that 1936 will see business as good as or better than 1935.

As it has ever since its organization in 1932, the Economic Credit Council of the N.A.C.M. conducted a questionnaire survey of its members in December. The Council is composed of one or more representatives from each of the local Associations affiliated with the National Association of Credit Men. It therefore covers every section of the country and all lines of industry are represented.

As a representative body, its findings in previous surveys have been of real interest to many of our readers and we are happy to have the privilege of publishing the results of the recent study. Herewith the queries and the findings:

8th Survey by the Economic Credit Council

1. Do you think business conditions will be (better) (poorer) (the same) in 1936 than in 1935?

Better, 91; Poorer, 2; Same, 12.

2. Do you find inventories during 1935 compared with 1934 to have been maintained on a level that is:

Higher, 66; Lower, 10; No Change, 29.

3. (For commercial members of the Council). Has bank credit in your locality been eased as regarding commercial loans:

(a) Since a year ago? Yes, 74; No, 17. (b) Since two years ago? Yes, 65; No, 12.

4. (For banking members of the Council). Has the validity of loan applications justified bank credit expansion:

(a) Since a year ago? Yes, 17; No, 4. (b) Since two years ago? Yes, 16; No, 5.

5. If an attempt is made in the next session of congress to pass a bonus bill what would be your attitude towards it?

Favorable, 23. Unfavorable, 82.

6. What are your firm's inventories compared to the six year depression average?

Above: 29% (average for 49 firms). Below: 6% (average for 26 firms). Same: (reported by 30 firms).

7. How do your firm's operating profits in the first three quarters of 1935 compare with the period of last year?

Above: 30% (average for 65 firms).

Below: 13% (average for 22 firms). Same: (reported by 18 firms).

8. What is the average percent of your firm's 1935 activities compared to the same period in 1933?

36% higher (average for 86 firms). 12% lower (average for 19 firms).

In 1929?

31% higher (average for 13 firms). 29% lower (average for 92 firms).

9. Do you favor balancing the federal budget?

(a) Immediately, 78. (b) Or by 1939 as outlined by the administration, 27.

10. If you favor balancing the budget now how would you effect this?

(a) By higher taxation, 4.

(b) By discontinuing emergency and relief measures entirely, 10.

(c) By reducing to some extent the regular budget as well as the emergency budget, 35.

(d) By a combination of higher taxes and economy in the combined federal budget, 29.

Members' location: East, 28; Midwest, 33; South, 14; Southwest, 9; Far West, 21.

Members' activity: Manufacturing, 43; Banker, 21; Distributor, 41.

Something for nothing

An editorial from "The Toledo Times"

EC Unsound credit and business policies which eventually result in bankruptcy of a shocking proportion of American business firms take annually a terrific toll in losses.

Last year the total liabilities of bankruptcy cases was \$1,575,000,000. Most of that was loss. Somebody received goods and did not pay for them. The sorry feature is that the penalty is passed on to the general consumer for credit losses is one of the costs of doing business for all types of going concerns.

Frequently those which make money are those which keep down their credit losses.

Fifteen years of bankruptcy showed a total of 694,921 cases filed with total liabilities of \$12,366,382,000 and there was realized from sale of assets a total of \$1,161,302,000.

Credit executives tell us that in most of these cases creditors had lost 90 per cent of their claims before the estates reached the bankruptcy court. Figure in the losses from assignments, com-

promise settlements, state and federal receiverships, bank liquidations and the total becomes enormous.

Better credit judgment and insistence on sound financial condition of those to whom credit is granted will forestall a big proportion of credit losses.

The Toledo Association of Credit Men, and its allies in other cities, constantly work to that end.

Better credit technique, adherence to sound principles, and skilled business leadership will contribute to the welfare of all business and industry. In the end credit losses are borne by everybody. There is no such thing as something for nothing.

The growth of the cooperative idea

by ROY COLLITON, Director, Central Credit Interchange Bureau, N. A. C. M.

Credit Men have seen steady and continuing change—Change in opinion as to the reasons for and purpose of credit—Change in the attitude of the creditor to the customer—And most striking of all, perhaps, the change in the attitude of one creditor to another, particularly as respects those whose business interests and welfare are highly competitive.

Invited to name the outstanding accomplishment of the National Association of Credit Men during its forty years of existence, it is likely that many different views and opinions would be expressed by individual members. One might point to legislative activity, with special emphasis on bankruptcy perhaps. Another would favor activity in education; still another, fraud prevention. And without question, a goodly number would choose the part the Association has played in fostering and developing the exchange of information between creditors.

This variance of opinion, which is known to exist, is of interest for two reasons. The first is that the existence and maintenance of all these activities is but the reflection of the beliefs entertained by various credit executives as to what was necessary and essential to the improvement of credit and credit conditions. Second, and of greater importance, each and every one is an evidence of the need for a medium of cooperation.

And then a moment's thought brings the quick realization that back of these and all of the Association's other activities is found its real accomplishment: The formulation and develop-

ment of a practical, working code of credit methods, policies, and ethics; the building of mutual respect and confidence; and the instilling of the spirit of fair play.

It is said that a business organization is but the lengthened shadow of a man. The Association is but the lengthened, composite shadow of the thousands of men who have done their bit in making it what it is and in maintaining it in its position as the outstanding business organization of the country. And all of these men have been helpful for the single reason that each recognized and accepted the basic principle that progress came only through cooperation.

No activity of the Association illustrates this quite so well and forcefully as the developments which have taken place in the exchange of information between creditors, for, claims of others to the contrary, it is an indisputable fact that every step of progress in that activity was first taken by and through the Association and its membership. It is interesting to observe the startling changes of the past forty years. Notice just a few:

In 1896 the accounts receivable ledger of a business was one of its most secret records. Today, figuratively speaking, these ledgers are brought to meetings of credit executives and literally checked, analyzed, and discussed page by page.

In 1896 business institutions refused to divulge their ledger experience information, believing it prejudicial to their interests. Today alert credit executives realize that it is often more helpful and profitable to give information to others than it is to receive it.

In 1896 only the boldest and most courageous credit executives dared to suggest an exchange of ledger experi-

ence information. Those who did were looked upon as the wild-eyed radicals of their day. However, by proving their theory, and with the continued addition of new supporters to their cause, matters have now reached the stage where the principle for which they fought is generally accepted.

In 1896 certain big business institutions whose names and slogans are household by-words passed resolutions prohibiting the supplying of a list of their customers to any organization. Now such lists are supplied for credit purposes without thought or question.

As a crowning illustration of the amazing reversal of thought which has taken place, consider the fact that today it is now uncommon for one creditor to make a detailed listing by individual customer of his entire accounts receivable ledger and place a copy of that listing in the hands of the credit department of each one of his competitors.

These merely illustrate what has been happening. It is not to be understood that all of them had their beginning with the National Association. Many had their origin with a few individuals or in a local Association long before the National organization. But it is, nevertheless, true that it was that organization which served as the medium for their development and expansion. Without it as a medium for the dissemination of information, progress would have been slow indeed; quite likely competition, not cooperation, would still maintain as the guiding principle in credit. That others have capitalized on the Association's work does not alter the fact.

Then, too, it is of interest to observe the various forms taken by these efforts at cooperation in (Continued on p. 27)

The idea behind the Adjustment Bureaus

by E. H. LOTHIAN, Director, National Adjustment Bureau Dept., N. A. C. M.

C The Adjustment Bureau idea is, of course, older than forty years. One Bureau in the National System is finishing fifty-eight years of constructive service to business!

What is an Adjustment Bureau? Why should such an institution exist? What kinds of service are performed?

The history of the development of the system will answer in some degree these questions. Students of the industrial history of the United States will know much about the various developments that made possible business expansion during the last one hundred years. It is not necessary to retell the story in detail nor to refresh the average business man's memory with respect to the growth of credit transactions in business.

Business expansion, of course, meant more transactions; improvement in transportation, banking and communication facilities contributed steadily to the custom of doing business more and more in wider areas. It resulted also in much less personal contact than was formerly the case. Personal contact had had much bearing upon the way in which a purchaser and his creditors arranged the transactions and settled for them.

With the increase of business transactions, which was co-incident with the growth of the number of business institutions, it was only natural that business difficulties and business failures increased.

A few decades ago it was difficult for creditors to get together to adjust the affairs of an embarrassed or insolvent debtor; even if there had not been physical difficulties there were mental barriers based upon suspicion and prejudice. Some creditors were able to secure payment in full for their ac-

counts to the detriment of the other creditors.

Such a condition became so common that it constituted a menace to wide operations on a credit basis.

Finally the various states began to develop legislation that helped. The National Bankruptcy Act, passed in 1898, had become a business necessity. Such legislation was a wonderful thing for those engaging in interstate business, but it did not furnish a complete solution.

In the effort to find a solution of the problem of one creditor preferring himself at the expense of others, groups of creditors in many districts discovered that they might aid the situation materially by having an agency controlled by themselves but able to act for all impartially.

Credit Men's Associations had been organized and operated and had proved that there was a common meeting ground for creditors. These groups of creditors discovered that if a Credit Men's Association were competently managed and properly organized it could do things that could not be done through any other agency.

When this idea was understood and the usefulness of such an agency was recognized, it was not long before Adjustment Bureaus began to be organized in connection with the affiliated units of the National Association of Credit Men in many places in the country. Many of these Bureaus did excellent work and demonstrated their usefulness almost from the beginning.

However, creditors whose business interests extended over a wide area needed more than a few such Bureaus. Furthermore, such creditors needed to feel that their business would be handled in one section of the country as

capably as in another section. They recognized quickly the great need for co-ordination between these Bureaus in order that the interests of everyone interested might be protected.

Thus out of a very definite need, and in a logical and normal manner, was born the idea of the National Adjustment Bureau System.

The National Association of Credit Men, keeping pace with developments, recognized the necessity of fostering and guiding the development of such a National System and so it formed the National Adjustment Bureau Department.

The Department's first work, aside from the development of standards and ethics and broad principles, was an extensive survey to find out what these Bureaus actually did, how they were organized, how they were governed, supervised and managed. Such a survey developed the fact that the Bureaus had a common problem and yet disclosed the fact that there were many problems to be solved before there could be the desired cooperation and co-ordination in the interests of high-class work for any creditors anywhere.

For nearly twenty years, the work of standardization and improvement of the National Adjustment Bureau System has gone forward. Every rule or standard which now governs the operations of these Bureaus is the product of years of trial and error, of close study, of modification, of change, of conformance to what has come to be the best, safest and most economical method of operation.

At the present time creditors have an astonishing number of ways by which their Bureaus are kept safe for them. The local Bureau, for example, has its (Continued on page 33)

They passed the hat in '96

and with \$175 those pioneers started the N. A. C. M.

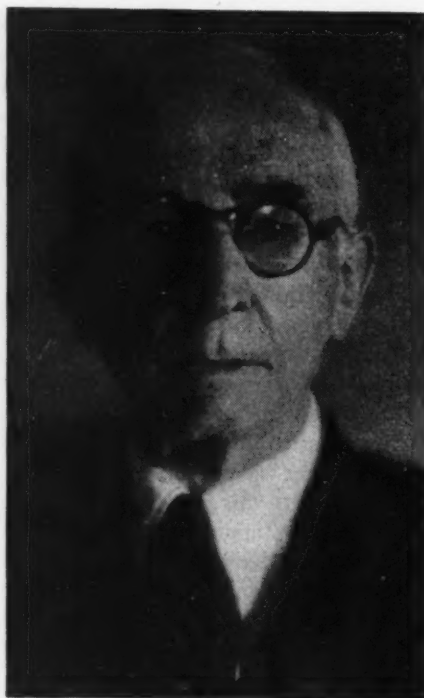
by WILLIAM H. TAYLOR, Mill Valley, Cal. First President, Kansas City A. C. M.
Vice President, N. A. C. M., 1898-99, and one of its organizers at Toledo, June 23-24, 1896

When I entered wholesale trade in 1879 as an invoice clerk and correspondent most writing was done in "long hand." Typewriters, though invented in 1868, were little used until in the decade of the 80's. About 1884 business houses began to use a few but in all cases during that time an experienced operator was "sold" with it. In the late 80's many inducements were being offered to men or women to train for its operation and by the early 90's many typewriters were in use.

But before the day of the typewriter I recall writing daily, besides numerous invoices, twenty-five or more business letters. There were three others in the office who did nothing else but correspond in long hand. For years after 1879 there was no such thing as a "credit man." Orders came in, were reviewed by the "Boss" and usually approved. In those days, and up to 1897, it was almost impossible to get any reliable information from competitors because they were guarding their trade jealously.

Bank reports were very indifferent and business men of nearby towns were very averse to giving reliable information. I traveled for some years subsequent to 1879 and many a time I got more reliable information from the barber or livery driver than from any other source.

One of the first great achievements of the National Association of Credit Men occurred in 1897 when it began to create a friendly feeling among competitors. In a short time this commercial reserve began to fade and in a couple of years "brother members" could absolutely rely on a competitor's report, especially after adoption of the uniform inquiry blank. This aroused



the banks to the necessity of this information and their reports became far more accurate. With due credit to the existing credit bureaus, with limited facilities and capital, the reports were crude as compared with the early Credit Interchange reports. At first, the "boss" looked on the Association with no great favor, but in a short time they encouraged the newly organized credit men to enlarge their local Association and to take special interest in the national as well.

When our Kansas City Association was organized in 1896, we held our meetings in the evenings so as not to interfere with our day's work. Soon, however, the worth of our work was evident and our members were accorded an extra noon hour for lunch-

eon and business sessions. My own experience proves that our losses decreased as the credit man installed modern records and reference sheets.

To the young credit man of today I would urge full devotion to the local association. Attend all meetings, absorb all parts of possible information handed out by the older and more experienced men, go to every possible national meeting. I have watched with pleasure the rise of many credit men to the post of Secretary, Treasurer, Vice President and even President of the firm. And I can trace a large percentage of such rise to the fact that they never lost an opportunity to benefit by their association's contacts and their fidelity to the association.

I think it was 1917 when the National Association met for the second time at Kansas City and we, the original pioneers of 1896 from Kansas City, were invited to exhibit ourselves on the rostrum. I was amazed at the crowd of delegates present. The theatre was packed and the building rocked with their cheers. It is not amiss to say that one of the most active in that convention was the late J. Harry Tregoe. I can yet see his ruddy face and his flashing eyes. He was always devoted to any good effort for his fellow credit men. I followed that black hair for years and saw it become slightly gray, then more gray, and though age bent his form, his energy was as great and his eyes were as alert as when I first met him in the late 90's.

Speaking of pioneers of the National Association of Credit Men, I should mention W. H. Preston, its first President, another pioneer, who looked more like a preacher, with his sandy hair and beard. And speaking of Mr. Preston brings to mind the first na-

tional convention, which opened on June 23, 1896. The Toledo Chamber of Commerce had advertised one and a third round-trip fare. But so few were in attendance at the 1896 Convention in Toledo that the railroads would not concede this. The Toledo Chamber of Commerce and B. G. McMechen insisted on personally refunding the delegates for the added fare cost. But the delegates by resolution declined it with thanks and appreciation, since they realized that their hosts were in no way at fault.

A poll of delegates at that 1896 Convention showed representation from businesses totalling \$200,000,000.00. Great noise was raised over it and yet, today, the National Association of Credit Men undoubtedly represents fifteen or twenty times, perhaps more than that, over that total.

A rather amusing circumstance in connection with the 1896 Convention was the occasion when a Chicago representative of a collection bureau took the floor and launched a vitriolic attack on our proposed organization and its presiding officer, Mr. Preston. He grew so abusive that in the midst of his speech he was asked to and did *sit down*. Thereupon, a motion was made and unanimously carried to eliminate all the gentleman's remarks from the records of the Convention.

Three "trade journals" representatives were at the Convention. One offered to record and print in full the proceedings, free of charge. The two others had frankly stated that they could not afford to do this, so the New York Publication of which Mr. Kiberage was Editor became the official reporter of the 1896 Convention.

Although it was forty years ago, it seems but forty months that this first meeting of credit men met at Toledo. I do not think most of those who attended had any other thought than that it was a get-together proposition for an interchange of ideas and the opportunity for general acquaintance as well as good fellowship. And yet, reviewing its progress since then, we see a membership of thousands and accomplishments each year during its history of vast benefit to the commercial world.

In 1896, few if any local associations had been formed. But largely sponsored by W. H. Preston of Sioux City, Iowa, and B. G. McMechen of Toledo, Ohio, a call was issued for the 1896 Convention. This convention at-

tendance totalled 127, chiefly lawyers, collection bureau representatives, credit men and their wives. Less than eighty were actual credit men, however.

The Toledo Chamber of Commerce had rented a large theatre, but you can realize that this small crowd had ample room to wander around. The meeting was called to order by Mr. Elliott of the Toledo Chamber of Commerce and Mr. McMechen of Toledo was named temporary chairman. Later Mr. Preston was named permanent chairman. M. E. Banion



of New York was chosen Vice President. Mr. Elliott acted as Secretary.

A committee on rules and regulations made its report. The report was approved promptly. At that time no constitution or by-laws had yet even been proposed. The convention lasted two days and soon developed the idea of a permanent organization with many ideas for the planning of programs advantageous to the business interests, including plans for organization of locals in many wholesale centers.

The convention closed with a splendid banquet attended by the Toledo Chamber of Commerce. Then it dawned on us that, while T. Homer Green of Iowa had been elected Treasurer, we had no money. So the hat was passed and about \$175.00 was raised, which was the financial basis of our great organization, the National Association of Credit Men.

Kansas City was named for the second national meeting. As the time for the meeting approached I installed a stenographer in my home and for weeks issued many letters to business organizations from coast-to-coast urg-

ing that they organize local associations and send delegations to the Kansas City Convention, which was called for June, 1897. About one hundred and forty accredited delegates responded. At this convention many ideas were developed, including a constitution and by-laws and active effort in connection with legislation and Credit Interchange.

Our 1896 and 1897 conventions developed many thinkers and speakers on the importance of credit within our ranks and we all now felt that we were ready for the march forward. The closing of the convention saw the election of J. G. Cannon of the Fourth National Bank of New York as President and H. S. Gillean of Louisiana as Vice President. F. R. Boocock of New York accepted the Secretary post and T. Homer Green was re-elected Treasurer. Since the Secretary's home was in New York, the temporary office of the association went to New York. And from that city plans were made for the third convention in Detroit in 1898.

Many cities in the meantime had been organizing local associations. Our Kansas City organization, founded in 1896, had a local membership of about seventy-five holding monthly dinner meetings by 1898. The writer was chosen the first President, incidentally, of the Kansas City Association. At the March, 1898, meeting, to the writer's surprise, our local association strongly endorsed the writer for National President and when convention date arrived Kansas City sent a full Pullman carload to Detroit. Eighteen delegates—and a number of wives to watch them!

The first day of the Detroit Convention had opened at 10:00 o'clock with a small attendance in the hall, but many straggled in shortly after. At the end of the session Mr. Cannon announced that on the succeeding day the hour would be 9:30 and that the convention would be opened on the meeting even if no one was present. All were on time at opening hours thereafter!

E. A. Young of Minnesota was also an active candidate and there developed a brisk rivalry. The by-laws did not permit re-election of Mr. Cannon, but it was finally agreed by the good-natured but opposing factions to surpend this clause and re-elect Mr. Cannon since he had (Continued on p. 29)

Forward—for forty years

THE NATIONAL ASSOCIATION OF CREDIT MEN by reason of its structure, local and national, has been enabled to render conspicuous service to commerce and industry. No year since its founding has failed to produce at least one big accomplishment that shines forth in the history of American business, serving toward increased business safety, increased profits and expanding the accumulation of wealth. Here, in skeleton form, are some of its main achievements:

1896—Founded and charter secured.

1897—Started nation-wide movement against secret sale of stocks of goods in bulk and out of the regular course of business,—the most common method at that time of defrauding creditors.

1898—Took leadership in framing and securing passage of National Bankruptcy Act, which after 36 years is still part of our jurisprudence.—“Business Topics,” first official credit association publication, founded.

1899—Took first steps looking to systematic prosecution of credit frauds.

1900—Began agitation for adoption of Fictitious Name Laws,—now on statute books of 43 states.

1901—Recognizing need for exchange of ledger experience between business houses, began plans for National Credit Interchange Bureau System.

1902—Raised initial funds to prosecute commercial frauds.

1903—Secured amendment to National Bankruptcy Act.

1904—Began successful effort to improve false financial statement legislation by strengthening its scope and provisions against credit buyers misrepresenting their financial condition. Beginning of Industry Credit Group organization.

1905—Activities turned to development of Adjustment Bureaus for elimination of waste in liquidations.

1906—Joined with California credit men in reconstruction of earthquake- and fire-stricken San Francisco, and in obtaining generous treatment for affected policy

The N.A.C.M. in its four decades has cooperated in our industrial evolution.

Gendreau



holders from insurance companies.

- 1907—Great progress made in Bulk Sales legislation; 32 states at that time having enacted the law.
- 1908—Recognizing necessity for better knowledge of commercial law, published Credit Manual which has become an outstanding publication in its field.
- 1909—Appointed Banking and Currency Committee which was destined to play major part in reforms leading to establishment of Federal Reserve System.
- 1910—Secured amendment to National Bankruptcy Act, appertaining chiefly to regulating compensation of receivers and trustees, where great abuse had existed.
- 1911—Record year in Bulk Sales legislation, seven states having added laws that year.
- 1912—Interest continued to center largely upon banking and currency reforms.
- 1913—Association took active part in securing passage of Federal Reserve Act adopted that year.
- 1914—Took first steps toward amalgamating local Credit Interchange Bureaus into national system.
- 1915—Association's False Statement Act now on Statute Books of one-quarter of the states.
- 1916—Led business interests of the country in hard-won Congressional fight to hold secure the Par Payment Credit System under the Federal Reserve Act, thereby saving business more than \$160,000,000 annually.
- 1917—Anticipating great developments and importance of foreign trade, Association established Foreign Credit Department, which maintains Foreign Credit Interchange Bureau.
- 1918—Expansion of instalment selling drew attention of Association to need of revising conditional sales laws for greater uniformity. Uniform law framed, which has been enacted in several states.
- 1919—Credit Interchange Bureaus System made national in scope through establishment of Central Bureau at St. Louis.
- 1920—Educational work of Association given concrete form in establishment of educational department known as National Institute of Credit. — "Credit Monthly" succeeds "Business Topics" as official publication.
- 1921—Intense study given by special Committees to problems involving after-war readjustments.
- 1922—Adjustment Bureau movement stressed; 72 bureaus in operation that year.
- 1923—Took preliminary steps toward enactment of legislation providing for arbitration of commercial disputes, subsequently passed in several states.
- 1924—Commercial frauds problem took first place in Association activities.
- 1925—\$1,400,000 Fraud Prevention Fund raised to prosecute commercial criminals.
- 1926—Secured amendment to National Bankruptcy Act to meet evils of collusions, fraudulent compositions, discharge of dishonest debtors, ineffective criminal provisions, evasions of statute, and unnecessary complications of procedure.
- 1927—Impressed with need for more uniform system of banking, Association took active part in securing



Illustration from General Electric Co.

- passage of McFadden-Pepper National Bank Bill.
- 1928—Secured co-operation of National Crime Commission in adoption of "fence" bills in New York State to reach inducing causes of commercial credit crime. Reciprocity developed with credit organizations in foreign countries.
- 1929—Raised Second Fraud Prevention Fund to combat credit fraud and took leading part in bankruptcy investigation. False Statement Act now enacted in forty-three states.
- 1930—Co-operated with Federal Government in national bankruptcy investigation. "Credit Monthly" becomes "Credit & Financial Management." Nationwide Survey of Sales and Collections inaugurated.
- 1931—Sponsored first national Mercantile Credit Survey made by U. S. Department of Commerce. Industry Credit Groups passed the 400 mark.
- 1932—Affiliates established in Philippines and Hawaii. Quarterly survey of Credit Conditions in Latin America in its fifth year.
- 1933—Association and its officers actively participating in National Recovery Program. Sponsored proper Credit provisions in N.R.A. Codes.
- 1934—Creditor interests safeguarded in flood of debtor relief legislation. Credit Manual of Commercial Laws completes its 25th year. Fraud Prevention Convictions pass 1500 mark.
- 1935—Washington Service Bureau established for Members' Government-Business contacts. Sponsored passage of Federal Bond Law providing payment bond to adequately protect Public Works Creditors. Developed basis for wholesale credit survey in co-operation with Department of Commerce.

The distaff side

Ten years of Progress by the Credit Women's Groups narrated by
BESS R. HAVENS, Past National Chairman



Miss Havens

Ten years—what can they mean? Measured in months and days they mean only one hundred and twenty months and thirty-six hundred and fifty days but, measured in terms of credit women's efforts to achieve lasting success, ten years can mean countless hours of longing, hoping, and striving for a far-off goal. The only way to accurately measure what those ten years have meant in the way of actual progress is to go back to the first meager beginnings.

These beginnings really were prior to 1925 for the earliest records of our history indicate that in 1922, 1923 and 1924 small groups of women were in attendance at the national conventions each year. However, it was not until 1925 that the first regularly organized gathering of credit women, with the proper background of advance preparation and under the sponsorship of the National Association of Credit Men, was held. Informal meetings had been permitted but not very enthusiastically encouraged by the national organization up to this time.

The first formal Credit Women's meeting, as such, was held in the Mayflower Hotel, Washington, D. C., in June, 1925. As a mark of his personal

approval, Mr. Eugene Elkus, President of the National Association, attended this women's meeting and gave his official blessing and cordially welcomed the women, as a group, into the activities of the national organization. This same meeting was also addressed by the late Mr. J. Harry Tregoe, at that time Executive Secretary, and by Mr. A. J. Goldwater, a national director. This meeting was most informal—being exclusively social in character—but the small group of women present (about 40-50) were given an opportunity to give their name, business connection and address and they were urged to give a brief resume of the work done, in their local credit associations by and for credit women. With this initial effort the history of credit women, as a working part of the National Association of Credit Men, began.

As is the case with every pioneering venture, progress was naturally slow for a long time. Credit men, in that period of our history, could not quite picture women entering the credit field permanently; neither could they quite foresee the time when women would be standing shoulder to shoulder with men in the protection of the nation's receivables. Only those men of great breadth of vision and understanding would consent to recognize the possibilities of women in credit and these are the men who, later, co-operated to the fullest extent in establishing the definite position of women in credit activities. One of our most staunch champions was our beloved J. Harry Tregoe. Subsequently Dr. Stephen I. Miller further developed the work after having been approached for his support by Miss Florence Banks of Los Angeles and Miss Rachael Baker of New York City.

The work of credit women was, at about that time, set up on a divisional basis. The Western division was organized in San Francisco in Nov. 1926 with delegates present from nearly all of the larger western associations. The organization meeting of the Eastern



Mabel S. Wilke, Chairman,
Credit Women's National Executive
Committee

division was held in New York City in Dec. 1926 with a representative attendance of all large eastern associations and the Central division got under way in Nov. 1927.

During 1925, 1926, and 1927 considerable headway was made in organizing Credit Women's groups. In fact, so much progress was made that at the national convention in Seattle in 1928, Dr. Miller attended a convention breakfast of credit women and suggested that possibly the time was right for a national women's committee to carry on what had already been accomplished. Miss Florence Banks of Los Angeles was chosen the chairman of the first national women's committee established under Dr. Miller.

In order to get some sort of a workable idea as to how much material there was in the field a survey, on the questionnaire basis, was sent out and the analysis of the returns showed about four organized women's groups in the eastern, and six in the central division. Only one association in the central division had a women's committee and a similar committee was



Evelyn Wilbur, Binghamton



S. Jane White, Cleveland



Anne Spitzer Werner, N. Y.



Lena A. Sanford, Rochester



Angie M. Rowell, Buffalo

In sixteen local Associations, there are active Credit Women's Groups functioning. Here are fifteen of the local leaders for 1936. Only Philadelphia's Miss Ethel S. Pallatt is not "among those present" in this page of pictures.



Gladys Rose, Kansas City



Betty Morgan, Louisville



M. A. McDonald, Pittsburgh



Marguerite Jordan, Chicago



Betty Hess, Seattle



Ruth Heckman, Portland



Clara B. Cramm, St. Louis



Frances Corrigan, San Francisco



L. M. Brownbeck, Cincinnati



Alma J. Appel, Los Angeles

Weather
Hotter Than
Stock Market
Kittenish

"PITTSBURGH'S MOST CONVENTIONAL NEWSPAPER"

BREAKFAST TIMES

Morning
Star
Final

JUNE 20, 1935

PITTSBURGH, PA.

NO CENTS

VISITING CREDIT GALS CAN TAKE IT!

Part of the first page of the "Wuxtry" at Pittsburgh Convention—of, by and for the Credit Women.

functioning in the western division. This analysis also showed between 800 and 900 women credit workers representing memberships in the national organization at that time.

How much progress has been made since that time is evidenced by the fact that in another survey conducted in 1933-1934, the resumé showed that about 6 $\frac{1}{10}$ % of the membership is now represented by women.

In 1926 women had not yet been admitted into the activities of the New York Credit Men's Association so, when the national convention was held in New York City that same year, those women who had been active nationally for a number of years were somewhat at a loss to know whether or not they were expected to have any part in this particular national gathering. However, Mr. Wm. H. Pouch—at that time the national president—and his good wife, came to the rescue and adopted the nation's credit women as their personal responsibility to that convention program and through their efforts the convention, from the standpoint of the visiting women, was a huge success.

Mrs. Pouch has, with her husband, continued her great interest through all these years and is now, to her everlasting glory, known as the godmother of the credit women of our national association. Would that we could claim more such godmothers.

Time went on and with the swift passing of the years a great deal was accomplished for credit women. However, at a later convention in Dallas, Texas, Dr. Miller felt that the need for a national women's committee was not so urgent as more closely supervised work within the district and the work reverted, at that time, to the former divisional basis.

For a year or so there appears to be a lapse in the history of the women's work when not a great deal of activity by, and for, women was under way

Editor.....Jeannette Seneff

Publisher.....I. Edith Bardella

Artist.....Richard Johnson

Credit Women's National Executive Committee: 1936

Mabel S. Wilke, Chairman
Chicago, Ill.

Vera Brown,
Seattle, Washington.

Lula C. Dickerson,
Richmond, Va.

Alleen Harrison,
Louisville, Ky.

Lucy Kyriss,
Los Angeles, Calif.

Olga E. McAree,
Cleveland, Ohio

Mary A. McDonald
Pittsburgh, Pa.

Helen A. Maycrink,
Brooklyn, N. Y.

Laura M. Mindrum,
Minneapolis, Minn.

Marie C. Parsons,
Boston, Mass.

Gertrude V. Tonneson
Philadelphia, Pa.

Hilda Williams,
Detroit, Mich.

nationally. However, a fresh impetus was given to the work when, in 1933, your present chairman was asked to accept the chairmanship of the National Credit Women's Executive Committee.

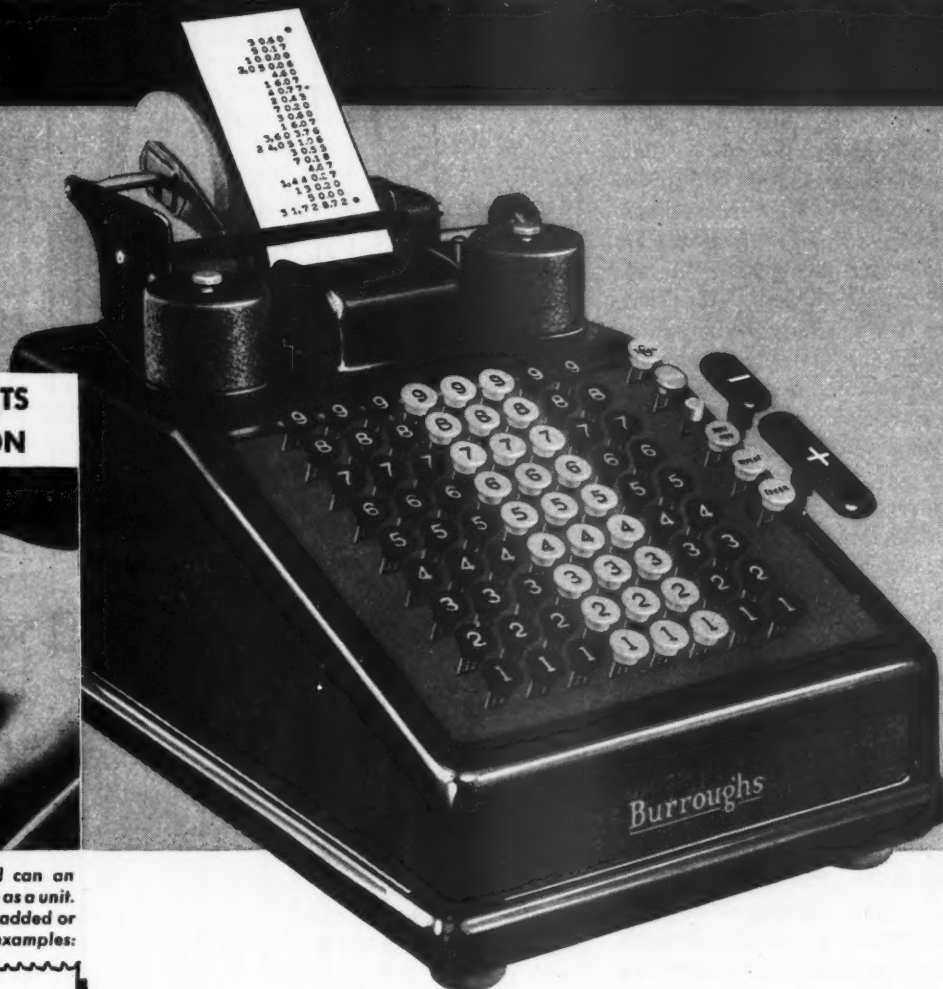
In that year fifteen women who had been outstanding in the activities of the national organization over a long period of time were asked, by the National Board of Directors, to serve on this newest committee.

The principal job for the first year was, obviously, a new survey of material to know to what proportions our potential strength had grown. It was desirable that we should know how many established groups we had; what the possibilities were of adding to those groups; the special material available among our women for outstanding jobs that were needing to be done. This most recent survey reveals that we now have about eighteen well organized women's groups so we have practically doubled since 1925 and there are several more units that will be completely organized before this data reaches print. Among them, Buffalo, N. Y., Cincinnati, Ohio, and others. In the conduct of these various surveys it is amazing to note how geography, the centralization of industry and commerce, and population effect the development of women's groups.

As a further evidence of the rapid strides women have made in credit work it is only necessary to observe the eagerness with which local associations seek their co-operation and help. The women are no longer just tolerated—they are welcomed. Many of our women are serving with conspicuous success upon important association committees; they are especially active in the trade group field. Still others have achieved positions on the Board of Directors of a number of our outstanding associations and their capacities for association work are coming to be more and more recognized as the men learn to work more closely (Cont. on page 35)

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three keys—IN ONE MOTION!

3 5.05 Written with
three keys—IN ONE MOTION!

1 4.03 Written with
three keys—IN ONE MOTION!

7 8.80 Written with
three keys—IN ONE MOTION!

10 5.06 Written with
three keys—IN ONE MOTION!

1 6.70 Written with
three keys—IN ONE MOTION!

6 7.99 Written with
four keys—IN ONE MOTION!

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The paying record as a

Here in chart form is the story of a business which enjoyed a life of a bit less than five years. This story, often varied in details, rarely if ever varied in basic facts, is a graphic presentation of the real cause of bad debt losses.

The story presents no new facts. It does call attention to facts often overlooked. It illustrates why dividends in bankruptcy are usually very small, the fact being that bankruptcy action is rarely invoked until a customer's payments cease completely. It illustrates the direct relationship between the paying record and possible percentage of recovery on claims. In this it is a reminder that in all of the exhaustive literature on credit practice little is said about this factor of credit appraisal as respects losses. And that, despite the fact that any evaluation of accounts receivable is predicated almost wholly upon the age of accounts.

The histories of businesses differ. Some of them never prosper. Others enjoy long periods of prosperity before adversity overtakes them. Variations in the kind and type of business mean like variations in terms of purchase and sales, and all of these factors are operative in determining how long a venture can lose money and live. But excepting the element of fraud and instances where indebtedness other than that for commodities is involved, the story rarely changes.

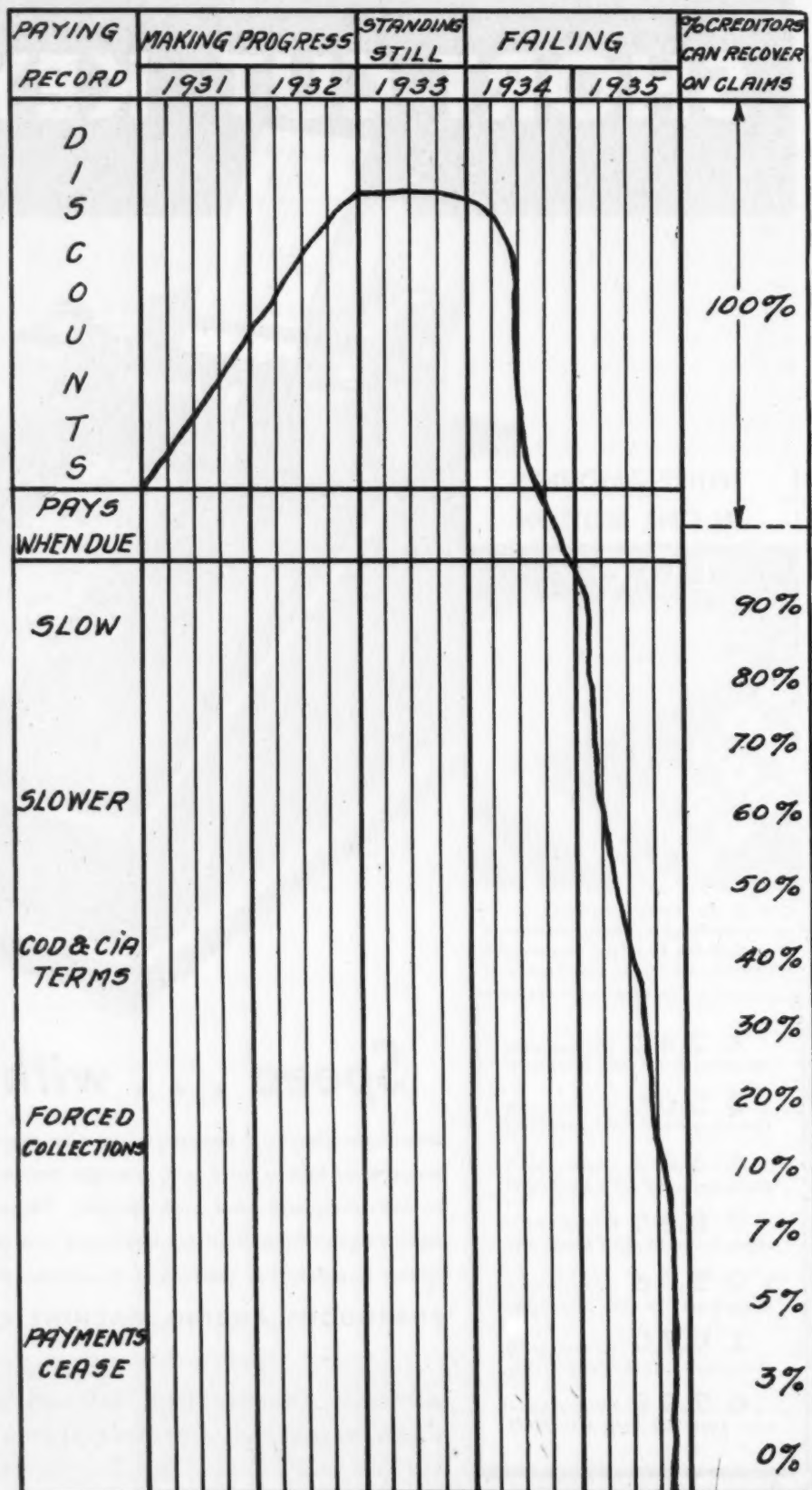
The current paying record is a reliable stethoscope through which to note the first "heart murmurs" of a dying business. The experienced physician knows that advancing heart irregularities indicate death for the patient; the experienced credit executive reads from the current paying record the "heart murmurs" which point to a possible funeral in the bankruptcy court.

The chart pictures a business which enjoyed two years of success. It discounted its bills and could have liquidated for one hundred cents on the dollar any time within that period. Then for another year it held its own and continued solvent. In 1934 trouble began. During three fourths of that year the business maintained a discounting record principally by exhausting its reserves.

And then in the last quarter of 1934,

it dropped to a "pays-when-due" basis. What did that indicate? And what was the result? Was it exhausting its bank credit? Did its cash position re-

main the same? If its terms of purchase were 2% 10, net 30, was it not owing 30 days purchases rather than its former 10 days? Would anyone



business stethoscope

insist that its ratio of assets to liabilities remained the same?

And then in the early part of 1935 it dropped to a "30-days-slow" schedule of paying. When that happened, either of two things was definite: (1) The volume of business was decreasing and the assets were being reduced; or (2) if the volume remained constant, the debts to suppliers were being doubled. And as against the time when bills were discounted, the business would at all times owe for 60 days purchases rather than for 10.

And then as it went on down the scale of its paying record to "Slower," "C.O.D.," and "Forced Collections," can there be any question of its status? No one need be told what was happening. The inventory had been reduced to an almost worthless collection of odds and ends. The accounts receivable represented only uncollectible items. Every saleable asset had been turned into cash and those not sold had been mortgaged. Every possible source of additional financing had been exhausted, and friends, relatives, and others were brought in to participate in the remains of the estate with the other creditors.

And then when payments ceased—and it was then that bankruptcy action was taken—what was left for the creditors? Who could expect 100% recovery?

Glance at the chart. Realize that the petition in bankruptcy was filed against this business in the last few days of November, 1935. There was then nothing left for the creditors. Now suppose that bankruptcy petition had been filed on July 1st or on April 1st. Is it not obvious that there would have been a greater recovery? Why is it so generally true that action toward protecting an account is usually delayed until there is little if anything left?

It would seem that there could be but one answer. It must be that creditors do not know the true status of the account. How else could the delay be explained?

And if it is true that creditors are not aware of the true situation, how can they discover it? Can they do it from a financial statement? Notice the chart and imagine what the financial statement of January 1, 1935, would have been worth on October

1st of that year. Would antecedent history be of value? This business made excellent progress for two years, held its own for a third, and assuredly did nothing to compromise its reputation during the fourth. That is the antecedent record which would have been available during 1935.

What remains in the way of information for creditors? Only two things: Operating statements, and the paying record. In so far as operating statements are concerned, what would the operating statements for any or all of the four years from 1931 to 1934 have been worth in 1935? And this is true in most cases. So, finally, there is left for information only the paying record. And why does not that protect creditors in a greater degree?

As a creditor, ask yourself this question: If today you wished to get a reasonably complete record of the indebtedness of a given customer with all of his creditors, where would you go for the information? The answer, as you know, is—you can't be sure of getting it *any place*.

And then again in addition to the fact that you cannot get the complete record, how current is the information? Just to illustrate: Assume that you had an order from the customer pictured on the chart, on October 1st. Then lay a piece of paper on the chart so that it will cover the last nine months of 1935. Notice what you have for a paying record. Again; cover up the entire year of 1935, and notice what you have. In either case, does the remaining visible paying record reflect the actual status of affairs? Of course, not. And the fact is that today most of the information available with reference to a customer's buying and paying habits is from six to nine months out of date.

That is probably the greatest single misleading factor in credit today. And taken with the element of incompleteness of information, it clearly proves why it is that poor information, not poor judgment, causes most credit losses.

The Credit Interchange Bureaus of the National Association of Credit Men have definitely disposed of one phase of this problem. That is the factor of out-of-date information. No information more than 90 days old is considered of value. The average on

all information is less than 45 days. In that the Credit Interchange Bureaus—at the direction of credit executives—have made the greatest single contribution of the last twenty-five years to the cause of better, safer, more intelligent credit.

Again, in the factor of completeness of information the Credit Interchange Bureaus have made tremendous strides, but as is well known, the major initiative in this matter does now and always will rest primarily with the creditors. Strangely enough, the basic requirement is generally understood by everyone save creditors, themselves, many of whom fail to see the logic of the recommendation that there be one single medium for the exchange of ledger experience information, the purpose being to bring all of the information of a given customer together so that any or all of the creditors might have a reasonably complete record of his indebtedness and his business habits.

Some feel that competition in the handling of ledger experience information is beneficial to creditors. They forget that "competition"—no matter what form it may take—is only a synonym for "suicide" in credit.

They forget, too, that they alone can bring order out of the present chaos which now exists in the handling of their ledger experience information. They must own, control, and direct the machinery and the organization through which the exchange of information is to be made. No privately owned medium can do that work for them. The competitive element will take care of that.

The Credit Interchange Bureaus of the National Association of Credit Men were organized by creditors for the specific purpose of developing complete information. It only remains for credit executives to affiliate themselves with this organization which is owned, controlled, and operated by their fellow workers in their field of endeavor and with whom they should align.

Credit losses are unnecessarily high. They represent a greater annual loss than fire. The prestige and recognition of the credit fraternity has been harmed by the size of this annual loss. In overcoming the factors which create this loss, the credit fraternity have the golden opportunity of gaining the executive recognition which is theirs.

This month's collectors:

Submitted for the approval of our readers

by A. A. WENDERING, Credit Manager,
Berkeley Daily Gazette, Berkeley, Cal.

by JOHN L. BADEAU, Credit Manager,
Geo. A. Hormel & Co., Birmingham, Ala.

Gentlemen:

We have exercised all of our ingenuity in the endeavor to secure your remittance of _____ to pay for your _____ advertising in the Berkeley Daily Gazette, but this has been of no avail.

It seems to be necessary to call for other assistance in this regard, and we shall therefore resort to the use of a bank draft unless payment is received within one week.

Gentlemen:

Re: Past due account \$72.96.

A great man has said "a good name is to be treasured above great riches." We can't all be rich but we can all pay our just debts if we want to badly enough.

After all, the payment of bills when they become due is a matter of common honesty, which ought not to require argument.

We believe you will pay us. Had we not thought so we wouldn't have shipped you the goods. But we both know there is no account so hard to pay as an old one.

By paying this bill you will have a clean record with our house. Who can say how much this will mean to you in the future when you least expect it?

If you can not pay the entire bill now, have a nice payment for Mr. Wood this week, or better still, mail or bring it in to me direct. It won't take many regular payments to give you a clean slate.

CFM "Here is a letter that has been very effective on accounts in the 'sticker' class," Mr. Badeau writes in submitting his letter. "We sent this letter to thirteen accounts that were from sixty days to six months past due. Two of the large accounts paid in full, three others made substantial payments on account, and four

more made payments of from one dollar to five dollars on account. Nine out of thirteen of these letters got results. Of course our salesmen are very helpful in making collections, but we have never had such a response before."

A great deal of collection letter writing, however, can be obviated if proper care is taken in analysis of credit re-

sponsibility. The most fundamental, up-to-date method ever devised for knowing just how worthy your credit applicant is as a risk has achieved foremost standing among credit executives because it is based on the current record of the customer in paying his other debtors. There is no substitute for a Credit Interchange Report.



The growth of the cooperative idea

(Cont. from p. 14) the exchange of information. Among the best known are the direct inquiry, the local Credit Interchange Bureau, the group, industry and sometimes sectional exchange. To these add such other plans as credit control, delinquent lists, reference bureaus, and privately owned activities; and finally, that presently accepted as standard—the National Credit Interchange Service.

Again, as in the case of the various Association activities, each of these methods is but the reflection of a different opinion entertained by a creditor or creditors. The differences were inevitable, in fact, necessary, since there were no standards for guidance, and progress could only be made by the trial and error method. And the continuance of most of these various activities to the present time is only the evidence of still remaining doubts as to how best to exchange information.

At this point one might well pass from the recital of history to an examination and surmise of what the future is to be. Certainly it is no longer necessary to explain or argue the value of ledger experience information. Whether known and admitted, or not, it is a fact that, excepting for those facts relating to capital structure, organization, and a smattering of antecedent data, ledger experience information and the conclusions and opinions derived from it constitute the bulk and greatest value of all present-day credit information. That being true, what credit information does the credit executive of today desire? Is he satisfied with what he has today? If not, how is it to be improved for him, and what part must he play in that improvement?

The credit executive recognizes that his training, experience, and judgment are of no avail without accurate information. He knows that without it he is in the position of a good physician or surgeon who is prohibited from making a physical examination of his patient; at the same time, he knows that given the information and lacking training, experience, and judgment, he is in the position of an individual who has the opportunity of making the physical examination but knows neither how to diagnose the illness nor how to treat it.

With that as an accepted principle, and with a proper and proven belief in

his own ability, the credit executive of today is turning his thoughts to ways and means of getting better information. And that means the information must be accurate, complete, and up-to-date. Opinions must give way to facts. The record must be complete, not fragmentary. It must be the record of today, not of six months or a year ago. An examination of various credit reports issued over a period of twenty years will quickly disclose the part the Association has played in improving credit information. Yet, the improvement is not sufficient.

A great deal remains to be done, and this is the chief task now confronting credit management.

The tangibles and intangibles of credit cannot be divorced. Either one without the other is of little value. And there is a steadily growing realization that just as it was necessary for the credit fraternity to build its own code of ethics, principles, and practices, so, too, will it be necessary for it to further develop and perfect the methods and machinery for gaining necessary credit information.

In the matter of financial statements, the credit executive today has the greatest need for those statements he finds it most (Continued on page 33)



Gold FROM THE HILLS

In the Gold Rush days, the pioneer communities of California suffered one disastrous fire after another. In San Francisco alone between '49 and '51 over \$20,000,000 worth of property was destroyed with practically no insurance.

Undaunted, the sturdy pioneers rebuilt, the means being provided each time by a new supply of "gold from the hills."

Uncertainty and luck may fit in with the lot of the prospector, but they have no place in modern business and banking. Your insurance agent will gladly cooperate to see that your coverage is thorough. The name of FIREMAN'S FUND or a company of its Group on your policy is assurance that your protection is secure. Backed by STRENGTH, PERMANENCE and STABILITY, a policy in any of these companies is always worth par when misfortune strikes.

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1863

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Home Fire & Marine Insurance Company
Fireman's Fund Indemnity Company — Occidental Indemnity Company

New York · Chicago · SAN FRANCISCO · Boston · Atlanta

U. S. sales and collections

State	City	Collections	Sales	State	City	Collections	Sales
Ala.	Birmingham	Good	Good	Nebr.	Omaha	Good	Fair
Ariz.	Phoenix	Good	Good	N. J.	Newark	Fair	Good
Calif.	Los Angeles	Good	Good		Trenton	Fair	Fair
	Oakland	Good	Good	N. Y.	Albany	Fair	Fair
	San Diego	Good	Good		Binghamton	Fair	Fair
	San Francisco	Good	Good		Buffalo	Fair	Fair
Colo.	Denver	Good	Good		Elmira	Slow	Fair
Conn.	Bridgeport	Good	Good		Jamestown	Good	Good
	Hartford	Good	Good		Rochester	Good	Good
D. C.	Washington	Fair	Good		Syracuse	Fair	Good
Fla.	Jacksonville	Slow	Fair	N. C.	Charlotte	Good	Good
	Tampa	Slow	Fair	N. D.	Fargo	Good	Good
Ga.	Atlanta	Fair	Good	Ohio	Dayton	Good	Fair
Idaho	Lewiston	Good	Good		Toledo	Fair	Fair
Ill.	Peoria	Good	Good		Youngstown	Good	Good
Ind.	Evansville	Good	Fair	Okla.	Oklahoma City	Fair	Fair
	Fort Wayne	Slow	Fair	Ore.	Portland	Fair	Fair
	Indianapolis	Good	Good	Pa.	Allentown	Slow	Fair
	So. Bend	Good	Good		Altoona	Slow	Slow
	Terre Haute	Fair	Fair		Johnstown	Slow	Slow
Iowa	Burlington	Good	Fair		Pittsburgh	Fair	Fair
	Cedar Rapids	Good	Good	R. I.	Providence	Fair	Good
	Davenport	Good	Good	S. D.	Sioux Falls	Good	Good
	Des Moines	Good	Fair	Tenn.	Chattanooga	Good	Fair
	Sioux City	Fair	Fair		Knoxville	Fair	Fair
	Waterloo	Fair	Fair		Memphis	Good	Fair
Kan.	Wichita	Good	Fair		Nashville	Good	Good
Ky.	Louisville	Good	Good	Texas	Ft. Worth	Fair	Good
La.	Shreveport	Good	Good		San Antonio	Slow	Fair
Md.	Baltimore	Good	Good	Utah	Salt Lake City	Good	Good
Mass.	Springfield	Good	Good	Va.	Bristol	Good	Good
	Worcester	Good	Good		Norfolk	Fair	Good
Mich.	Bay City	Good	Good		Richmond	Fair	Fair
	Detroit	Fair	Fair		Roanoke	Good	Good
	Grand Rapids	Good	Good	Wash.	Seattle	Good	Fair
	Lansing	Good	Good		Spokane	Good	Slow
	Saginaw	Good	Good		Tacoma	Fair	Fair
Minn.	Duluth	Fair	Fair	W. Va.	Bluefield	Good	Good
	Grand Forks	Fair	Fair		Charleston	Fair	Fair
	Minneapolis	Fair	Good		Clarksburg	Fair	Fair
	St. Paul	Fair	Fair		Huntington	Fair	Good
Mo.	Kansas City	Fair	Fair	W. Va.	Parkersburg	Fair	Fair
	St. Joseph	Fair	Fair		Wheeling	Fair	Fair
	St. Louis	Good	Fair	Wis.	Fond du Lac	Good	Good
Mont.	Billings	Fair	Fair		Green Bay	Good	Good
	Great Falls	Good	Good		Oshkosh	Fair	Fair
	Helena	Good	Good	Hawaii	Honolulu	Slow	Fair

Collection and sales comments:

C The coal miners in Birmingham, Alabama, who have recently been on strike for two months are back at work. This will show a marked improvement in the Birmingham district. Steel mills are reported running at about 60% of capacity The Exposition which has been held in San Diego, California, during the past months is to re-open on January 15th. Although they do not know what effect it will have on business in general in this area, it is expected that it will have a tendency to keep business up to the average of the past months, at least Collections in Sioux City, Iowa, have been better in the rural communities during the past thirty days, so they tell us, especially in the corn territory. Some of the grain is being moved and the major portion of it is bringing 50c

on the dollar to the farmer. Most of this, we find, is being purchased by feeders. There is considerable liquidation of old obligations and farmers, generally speaking, are in a better finan-

Summary

This month:

Collections	Sales:
Good 49	Good 47
Fair 35	Fair 43
Slow 9	Slow 3

Last month:

Collections	Sales:
Good 51	Good 59
Fair 43	Fair 35
Slow 2	Slow 2

cial position today than they have been for the past five years. Their sales also are very much better in rural communities than in the cities. Jobbers and manufacturers report a good clean-up of holiday merchandise and it looks like the holiday business this year of the retailers will be better than usual in this area. . . . Binghamton, N. Y., states that collections are coming in smaller amounts, but their accounts are in a much better shape, at the close of each month, than they have been in the past five years. Ice sales fell off this year due to a very much colder season, but refrigerator sales are up 192% over 1934 sales. . . . The cotton and grain crops are exceptionally good in West Texas. Wholesale and retail sales are also good in this area. . . . The advance Christmas business was up substantially over last year in Green Bay, Wisconsin.



They passed the hat in '96

(Cont. from p. 17) made an excellent presiding officer. I was privileged to nominate him and his unanimous election followed.

To my surprise, W. A. Prendergast, then Comptroller of the City of New York, nominated the writer as Vice President and it was unanimously carried. New York was then chosen as permanent headquarters for the National Association, although the delegates from St. Louis and Chicago were very active in behalf of their cities before the choice was made.

I still have the picture taken in front of the hotel in which we met in Detroit, including all the delegates and their ladies. Over two hundred delegates attended this third convention. By this time a paid Secretary had been installed and the movement was progressing rapidly. Buffalo was chosen for the 1899 convention, but by that time my duties in the plough business necessitated me dropping active interest in attendance. But I retained my membership in the Kansas City Association for a long time and watched with interest the rapid advancement

from year to year of the local and the national groups.

As a matter of interest, may I note that the accredited delegates of the 1896 Convention, distributed by states, showed Ohio with 18, New York with 9, Illinois with 8, Missouri with 8, Indiana with 8, Iowa with 5, Louisiana with 4, Nebraska with 4, Michigan with 3, Pennsylvania with 2, Minnesota with 2, Massachusetts with 2, Colorado with 2, Maryland with 1, and Connecticut with 1. In other words, 85% of the delegates were from eight states, with Ohio having nearly 25% of the total. Today our National Convention has delegates from every state and wholesale center in the country.

Before closing I would like to mention the names of some other associates besides those I have already mentioned. In the early days there were in prominence, besides the men previously named, such stalwart supporters of the National Association of Credit Men and its importance as Mr. Standard of Colorado, Mr. Barclay of Missouri, Mr. Towler and Mr. Young of Min-

nesota, Mr. Case of Pennsylvania, Mr. Banion, Mr. Boocock, and Mr. Lovet of New York, Mr. Gillean of Louisiana, Mr. Parker and Mr. Wiles of Missouri and a number of others.

I often review these early years as among the most pleasant of my business experience. As I now approach my four score years I never see mention of the activity of credit men in a paper or magazine that I do not carefully read and re-read, as diligently as does a small boy his Sunday funnypaper, the news of what my successors in the credit world are doing.

I hope for the continued success of the local associations and of the National Association of Credit Men.

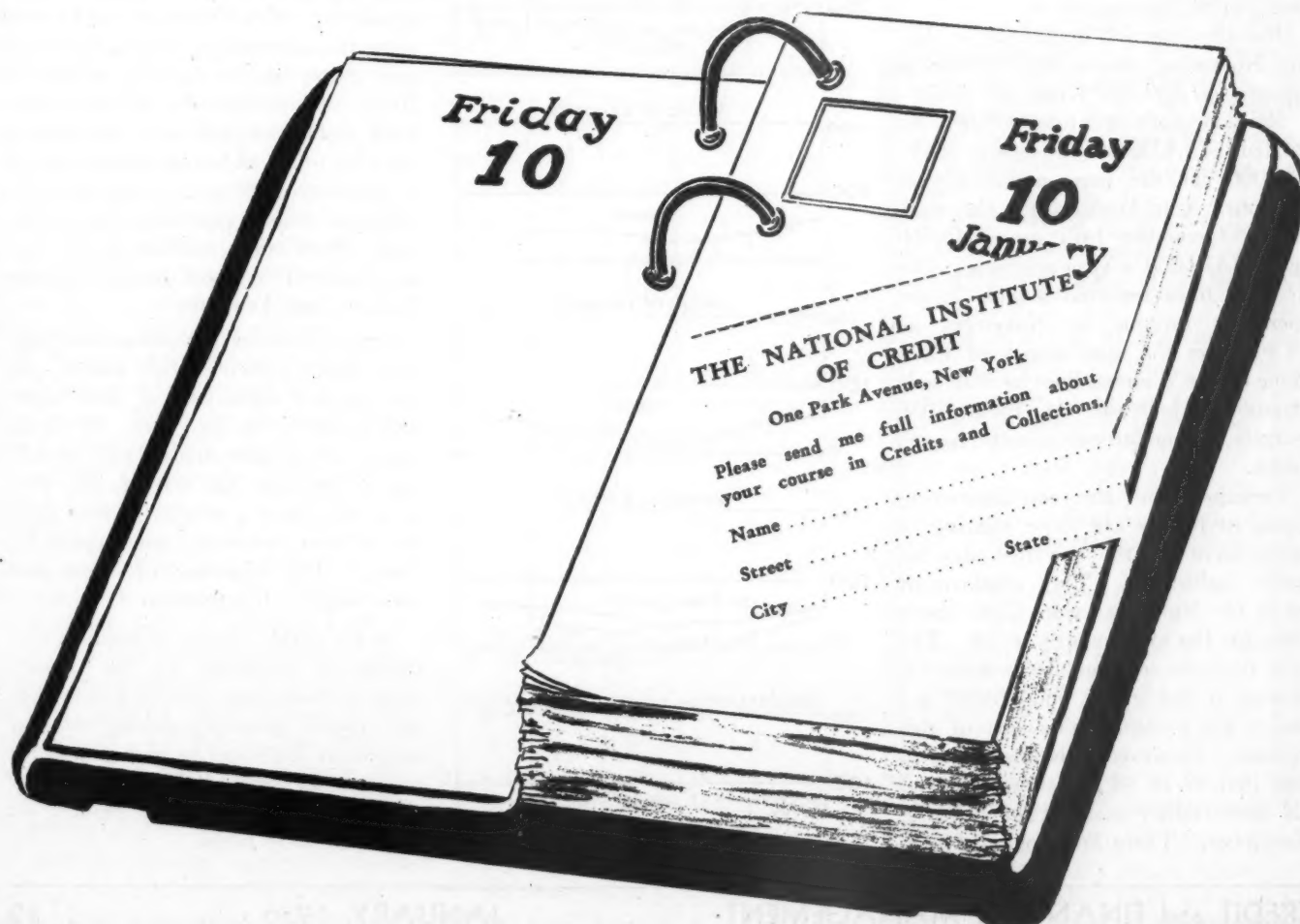


Persuasive power

"Yes," said the retired insurance agent, "I once induced a man to take out a \$25,000 insurance policy, and the very next day after he got the policy he dropped dead."

"I suppose you wished your persuasive powers had not been so successful?"

"Well, hardly. You see, I married the widow."



The business thermometer

AT the turn from the old into the new year, it is sometimes interesting to make some comparisons with trade figures from a year ago. Such a comparison is especially interesting this year because the figures seem to point to an opening out of the business advance for which we have been waiting.

On December 22 the volume of stock sales in the New York Stock Exchange was 8,258,000 shares and for the week previous 11,671,000 shares. These figures compare with a 5,000,000 share volume a year ago.

The U. S. Steel tonnage during the last weeks of '35 was running at 685,000 tons as against 366,000 tons a year ago. Steel ingot production has been running at about 3,150,000 tons as against 1,600,000 tons a year ago.

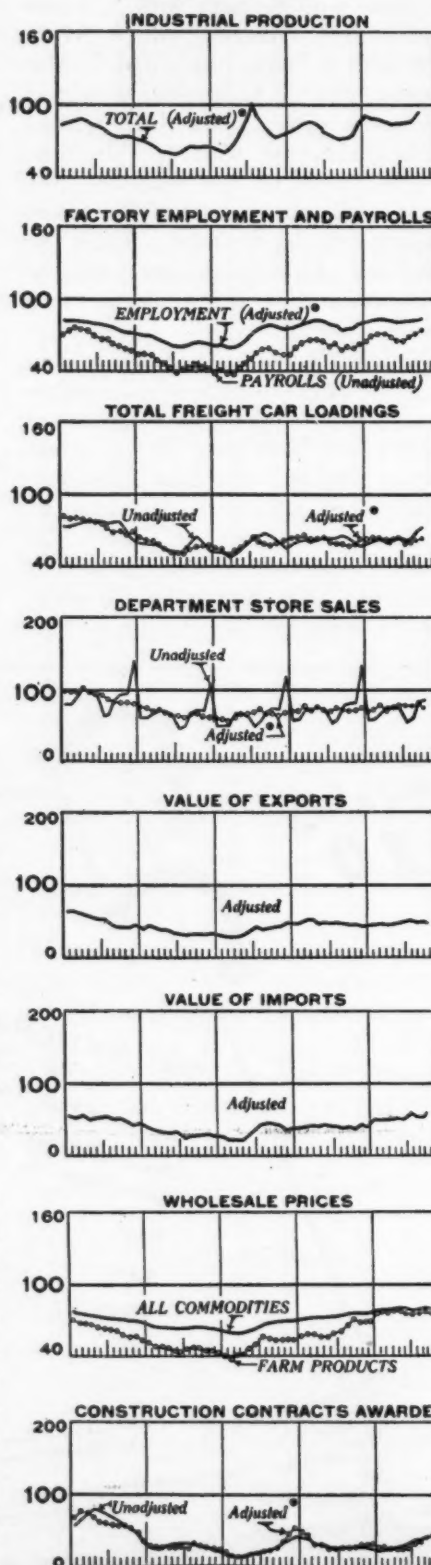
Automobile production during October (the last month for official count) reached a total of 283,000 units. The total for the corresponding period last year was but 136,000 units. The change in introducing new models this year applies here however.

Building permits in 215 cities during November totaled \$56,300,000 as against \$27,459,000 a year previous.

Railway earnings for October '35 totaled \$75,425,000 as against \$49,336,000 for the same period a year previous. Car loadings for the week ending December 14th were 615,000 against 579,000 a year previous. The first six lines reported a gain in net operating revenue in November of 59.8% over the same month of 1934. Some of the Western lines have already announced increases in their 1936 budgets for maintenance and replacements.

Perhaps one of the most interesting group of figures are those relating to employment in the so-called durable goods industries. The employment totals for November were 22% above those for the same month in '34. The fact that the automobile industry is figured in this group undoubtedly accounts for a considerable part of this increase. However, it is interesting to note that 49 of 89 industries surveyed did show rather marked gains during November. These lines included such

Charts from the U. S. Dept.
of Commerce
1923-25=100



divisions as blast furnaces, machine shops, steel works of all kinds and railway repair shops. Factory employment also reached the highest point since 1930 during the last three months of the year just passed.

Another indication of the trend of business activity is shown in the report of the larger office equipment makers. Remington-Rand, for example, reported its volume for November was up 33% and unfilled orders at the close of November were greater than any time since 1930.

Reports on retail trade during the last months of '35 did not engender much enthusiasm, except in certain localities. New York and Boston likely will show a slight decline in holiday trade over the '34 figures. Chicago trade which started off early has fallen off during the last weeks and State Street merchants indicate the totals may be slightly less than last year. In Cleveland, however, there has been a noticeable increase in number of sales but dollar volume has been a little disappointing. San Francisco and Denver were the outstanding points for retail sales gains, reports running as high as 20%. Wholesalers for the most part were rather satisfied over the end-of-the-year totals and were looking ahead to a general pick-up in trade after the holidays. This is especially true in Chicago where trade exhibits in 22 lines are expected to boost business during January and February.

Several analysts of business conditions have been "viewing with alarm" the over-stocked conditions of most automobile dealers on used cars. With the heavy sales of new models and the selling season only just started, this situation may have a retarding effect upon the industry before the new year is far along. The financing of these used cars brings a big problem.

In its weekly survey of business conditions on December 13, the Department of Commerce predicted that business profits generally during the last quarter of 1935 will be higher than for any quarter since 1930. These conclusions were based upon reports received from 35 cities.

Collection bookkeeping

(Cont. from page 6) on the ledger sheet and entry thereon of the new balance. The machine will lock if the new balance is not correctly typed.

A comparison of the details postings is made by the internal audit section, the basic documents being compared with the finished register, corrections being made immediately for any amounts in error.

In actual practice, surprisingly few trial balance errors have been experienced, and those that do occur are usually due to an erroneous pick-up of a previous balance on a ledger sheet, and can readily be located by an inspection of the ledger sheets.

Forms for the trial balances are prepared in advance, all accounts being grouped and summarized on columnar forms in accordance with the classification of accounts. When all entries for a month's business have been made, the amounts of the last balance shown by each ledger sheet are entered in the trial balance. This work is done by the bookkeeping machine operators, using the adding units of the machines for totaling, but if more speed is desired, some of the work can be spread among the available typists. When completed, the trial balance provides all details and summarizations necessary in the preparations of the monthly balance sheet, operating statements and statistical reports. The use of an assembled and summarized trial balance effects considerable savings in time and labor on the part of employees preparing the reports and statistical data, as no further assemblies are required. The original ledger sheets are kept in their file in the machine room and no one is permitted to remove them from that room. Duplicates of these sheets typed simultaneously on monthly "statement" forms are distributed as follows:

(a) All except accounts receivable sheets are filed in the audit section for the use of the company's auditors and officers, there being a folder for each account in which all monthly sheets pertaining to that account are filed. The necessary internal audit analysis of the accounts are written on the folders, carrying forward the accumulated totals and providing a permanent condensed analysis of the account.

(b) All accounts receivable sheets are sent to the collection department for mailing as statements to customers

or for other credit purposes as is desired.

The basic documents or vouchers follow conventional lines, and require no special preparation other than being numbered serially, using a separate series of numbers for each type or class of transaction. Procedure as regards unexpired insurance and other prepayments and in connection with inventories does not differ from ordinary methods.

Distinctive advantages claimed for the system are summarized as follows:

(a) The elimination of the ordinary, separately prepared books of original entry, and of predetermined totals of items to be posted and controlling accounts.

(b) The use of a flexible and comprehensive classification of accounts with an assembled and summarized trial balance available soon after the close of each month.

(c) The segregation of all bookkeeping duties to employees other than those handling cash and administering the business, thus affording an "internal" check on all transactions.

(d) The monthly internal audit and analysis of duplicate ledger sheets, affording a check on the work of the bookkeeping section without interference with its current work.

(e) The ease of preparation of the monthly and cumulative comparisons of actual expenses with budget allowances.

How to sweat a patient

A medical student was undergoing an examination at a certain medical college, when the questions put to him were of a very searching character. After answering a number of queries, he was asked what he would prescribe to throw a patient into a profuse perspiration. "Why," said the young Galen, "I would send him here to be examined; and if that did not give him a sweat, I don't know what would."

—*"The Kablegram."*

No marks yet

While a young mother was bathing her baby, a neighbor's little girl came in and watched the process. The child was holding a doll minus an arm and leg, and much knocked about generally.

"How long have you had your baby?" she asked the mother.

"Three months."

"My, but you've kept her nice!" exclaimed the little girl.

Modern finance

A man came into a bank and wanted to borrow \$5. He was told that the bank did not lend such small sums.

"But," he insisted, "lending money is your business, isn't it?"

The banker admitted it was.

"Well, I've got good security," said the stranger, "and I want to borrow \$5."

Finally the banker agreed to make the loan. When the note was drawn and the interest of 30 cents paid, the stranger drew from his pocket \$10,000 worth of Government bonds and handed them over as security. Before the banker could recover from his astonishment, the stranger said, "Now this is something like it; over at the other bank they wanted to charge me \$10 just for a safe deposit box to keep these things in."—*Franklin Field.*

No, indeed

Newwed: "I insured my life for ten thousand dollars today, dear, so if anything happens to me, you'll be well provided for."

His bride: "Oh, how nice! Now you won't have to see the doctor about your cough."

PAY ROLL RECORDS

for the

NEW STATE and FEDERAL LAWS

Revisions will be necessary in Pay Roll records to conform to Federal and State requirements. A complete set of forms has been designed and are now available from stock. Descriptive illustrated Booklet sent free on request.

Sample Set of forms (22 forms in all) will be mailed on receipt of 50c to cover preparation and mailing cost.

*Forms and Binders
for Every Purpose*

We regularly carry a wide range of record keeping equipment for all Pen and Machine Posted Records. Special Pay Roll and other made-to-order forms on short notice. Send for catalog.



THE C. E. SHEPPARD CO.
4429 TWENTY FIRST ST.
LONG ISLAND CITY N. Y.



The other's



C Because of the numerous requests concerning information about the location of the scene pictured on our November cover, inquiries as to the possibility of obtaining copies and the cost of such copies of the cover, and general comments complimenting Credit and Financial Management for the interesting scene, some of the letters received are being printed herewith. This also gives us an opportunity to say that the scene was taken in a small New Jersey city, but that the agency which sold us the photograph does not know the exact location in the city or the name of the particular city, since an independent photographer supplied it to the agency.

Because the agency supplying the picture to the magazine has a special rate for reproduction use, it does not make available the picture on a basis which allows us to sell extra prints of the original photograph which, incidentally, was a standard black and white photograph, colored for our reproduction purposes but not a photograph in direct color, as some readers believed it to be.

This also provides us with an excellent opportunity to thank our readers for their interest in the covers of Credit and Financial Management and we hope that the recent cover on the December issue and the cover on this January issue will find an equally pleasant reception. In fact, we would

appreciate having short letters commenting on the change in the style of the cover, the choice of type for the magazine and other changes which have been made in the general make-up of the publication.

Gentlemen:

I wonder if I can get an original print of your November, 1935, cover.

Very truly yours,
Bixby Office Supply Co.,
Grand Rapids, Mich.
Floyd R. Mayo, President.

Gentlemen:

The picture of the autumn scene on the cover of your November magazine has attracted a good deal of attention. Can you advise through what sources copies of the original may be secured?

Thanking you, we are
Yours very truly,
First National Bank of Peoria,
Peoria, Ill.
H. L. Harsch,
Vice President and Cashier.

Gentlemen:

We are interested in procuring three

copies of the photograph from Gendreau used on the cover of the November issue of your publication.

Kindly let us know if this is possible and the cost of same. The scene looks so familiar, we would also like to know its location.

Yours very truly,
The Cleveland Company,
R. J. Coughlin, Assistant Treasurer.

Gentlemen:

I venture to say you will receive more comments on the cover used on the November number of the Association Magazine than you have received for a long time.

If we could have covers of this kind right along I think it would make the magazine so much more attractive from the outside. It seems to me that the reproduction of actual photographs make a much stronger appeal than the kind used, for instance, on the October issue.

It is hard for the man who is not trained in printing advertising or editorial work to express in the right words just what he feels in regard to a matter like this, and so I will sim-

41,000 Safes Attacked

LAST year 41,000 mercantile safes in the United States were attacked by burglars. Right now, while the pinch of winter is swelling the army of crime, is a good time to make sure that your burglary and robbery coverages meet today's needs. Your local U. S. F. & G. agent will be glad to assist you. Call him today.



U. S. F. & G.

UNITED STATES FIDELITY & GUARANTY COMPANY

with which is affiliated

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FIDELITY & GUARANTY FIRE CORPORATION

Home Offices: BALTIMORE

ply say as a reader what appeals to me and what I think appeals to most business men who read the magazine.

The photograph used on the September issue makes a very attractive cover because there is an accuracy, a trueness about it as well as the picture on the November issue that makes the October cover seem amateurish by comparison.

Would you please tell me, if you know, the name of the town and state where the photograph used on the November cover was taken, also whether it was an amateur photograph or one taken by commercial photographer. I note it is ascribed to Gendreau, but I am not familiar with the name.

"Fine Feathers Make Fine Birds" contains enough truth to illustrate why I believe in fine covers for Credit and Financial Management.

Yours very truly,

Taylor Instrument Companies,
Rochester, N. Y.

H. H. Kase,
Credit and Collection Manager.

Tribute

to "J. H."

Gentlemen:

The credit fraternity is not restricted to country or nation and we therefore feel that we may pay our tribute to J. H. Tregoe whose passing we have just learnt with sadness, not as outsiders but as one of your confraternity.

We place "J. H." amongst the pioneers of the modern credit protection movement and we believe that creditmen, both in and outside the U. S. A., are much in his debt.

Would you be so kind as to convey to Mr. Tregoe's relations the respectful sympathy of British creditmen in their sad bereavement?

Yours sincerely,

CUTHBERT GREIG,
*International Association
for Promotion & Protec-
tion of Trade, Ltd., Lon-
don, England.*

Approval

Gentlemen:

One of our very good friends and members here in Philadelphia, Mr. A. W. Sande, Executive General Credit Manager for John Lucas & Company, is very much interested in the article appearing in the November issue of the magazine by Alta Gwinn Saunders entitled "Recent trends in collection letters."

Mr. Sande told me that he felt it

was one of the best articles that he had ever read on the subject and he is quite anxious to find out if it would be possible to obtain reprints of this article as he wishes to distribute it throughout his organization.

Sincerely yours,

SAMUEL ARDRON, JR.,
*The C.M.A. of Eastern
Pennsylvania, Philadel-
phia, Pa.*

The Adjustment

Bureau idea

(Cont. from p. 15) Board of Directors, its Committees of Control and its own management. Its affairs are supervised and inspected by these bodies and, in addition to that, its books and records and business transactions are audited by competent Certified Public Accountants.

Bureaus are regularly inspected by the National Association of Credit Men and the last named organization has the authority to enforce adherence to the standards which have been adopted by the Bureaus themselves and the National Association of Credit Men. Trust funds are kept separate from operating funds. Those who handle money are bonded. The majority of estates have separate bank accounts.

The operations of these Bureaus are expanding. The managers and their assistants have become business counselors and merchandising experts as well as credit experts. The Bureaus do not practice law. Their function is a business function.

From the above indicated modest beginning the Adjustment Bureau System has grown steadily until today the business handled in a year will aggregate many millions of dollars. The combined volume handled in the seventy-six offices makes this one of the major business institutions of the nation, and certainly the largest of its kind in the world.

The growth of cooperation

(Cont. from p. 27) difficult to secure—those of the debtor who dislikes to submit a statement because of its unfavorable showing. Many credit executives now realize that it is only through cooperation with one another and through an organization of their own operation and control, this type of statement can be had.

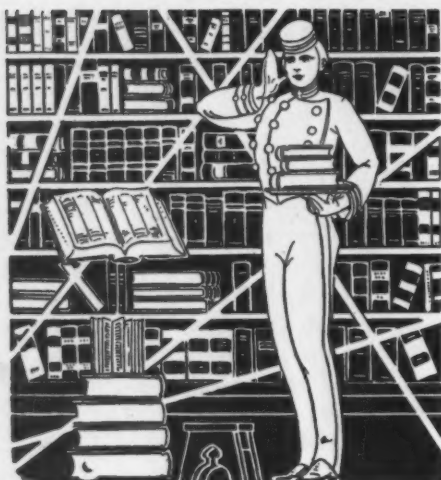
In the matter of ledger experience information, the period of trial, test,

and error—necessary though it was—has brought, not simplification, but confusion for the credit executive. He finds himself confronted with the problem of securing a reasonably complete review of the buying and paying habits of his customer. He can develop a piece-meal, fragmentary record through any one of a number of sources or methods. But none of them are complete, and but few are sufficiently up-to-date and current to be of value. More and more emphasis and reliance are being placed upon paying record. No longer is the financial statement accepted for anything other than what it is—history. It is realized that, regardless of the method of analysis, like the magician's hat of boyhood days, nothing can be taken out which was not first put in, and a financial statement cannot tell the story of developments subsequent to its issuance. And to bridge the gap between that past and the present, there is only the paying record. And that record must be complete if it is to be a proper bridge.

Thus the question comes—how best to secure that paying record? What need be suggested other than the action taken by the National Board of Directors at its last meeting in Pittsburgh when it enunciated the principle that there should be a single medium for the exchange of ledger experience information.

During forty years the credit executive has proven the value of the exchange of information. It now remains for him to apply the most practical, intelligent, and economical method of effecting that exchange. With forty years of successful effort in solving most perplexing problems, it does not seem that there can be any doubt about the credit executives' ability to dispose of this one. It does not seem that they can arrive at any solution other than that recommended to them—namely, the complete centralization of their information as the first essential to complete and every intelligent cooperation.

In the organization of Credit Interchange Service, the credit executives took the first steps in that direction. The principle behind National Credit Interchange is right. And whether it be continued under that or some other name, the logical conclusion seems to be that it will be the medium through which credit executives will dispose of the problem now confronting them in the exchange of this vital type of credit information—namely, ledger experience.



Paging



books

What limits to government activity?

THE NEW IMPERATIVE. By Walter Lippman. New York, The Macmillan Co., \$1.25.

GOVERNMENT IN BUSINESS. By Stuart Chase. New York, The Macmillan Co., \$2.00.

The new imperative that Walter Lippman talks about in his little book is that the Government "must henceforth hold itself consciously responsible for the maintenance of the standard of living prevailing among the people." This is to be added to the older and accepted imperative: 1. defense against foreign attack, and 2. the preservation of domestic peace. In addition, Mr. Lippman shows that the transition from what was supposed to be the automatic readjustment of economic factors under *laissez faire* to the deliberate regulation of modern economic conditions has progressed so far that it is impossible to retrace our steps; and that the deliberate smoothing out of the curves of the business cycle is an indispensable condition for the survival of political institutions.

But, in addition, Mr. Lippman successfully shows that the new imperative was not discovered, and applied for the first time by the New Deal. Herbert Hoover anticipated the new imperative, and enunciated the principles that it involves, and carried out the

practices implied in it during his administration. The recovery measures of the New Deal differ only in extent, but not in principle, from the recovery measures that Hoover applied.

In *Government in Business*, Stuart Chase gives us a complete and detailed demonstration of the transition from *laissez faire* automatism to the growing collectivism. With detailed tables, and authoritative figures, he shows that the trend towards collectivism has been increasing since 1913, making a "tumultuous" advance under the New Deal. Government in business is with us, and it is here to stay, he shows. Mr. Chase is mainly preoccupied in this book with those conditions under which public business can best be carried on, for public business, as he says, does not have to be done by dictatorships, or by a fascist state. It could be done by public corporations; and the model for such corporations is given in this book.

E. G. P.

First person, singular

MY FIRST DAYS IN THE WHITE HOUSE. By Huey P. Long. *The Telegraph Press, 1 Park Avenue, N. Y. \$1.50.*

The late Huey Long had one talent and exercised it in many directions. The talent—akin to genius—was self-exploitation. The directions in which he exploited this talent were many: politics and song-writing, radio talks and band-leading, the Senate and the gridiron—and auto-biographical works.

His autobiography appeared when he was around 40! Quite characteristic. And just before his death by a bullet he had finished the story of what he would do *when he became President of these United States.*

Modeling his book after Upton Sinclair's "I, Governor of California", he wrote it in the past tense. It is colorful and entertaining. Had he lived it would have been interesting to see him make use of it and its influence in his campaign for the Presidency which, after the publication of this book, cannot be denied to have been his main goal.

Many current personages appear: Hoover and Roosevelt, Al Smith and John D. Jr., General Smedley Butler and Senator Borah. And above all, bestriding the scene like the Colossus at ancient Rhodes, is Huey.

The best clue as to the audacious, amusing and pointed style of the book can be obtained from a reading of "President" Long's cabinet. Besides Al Smith as Director of the Budget (raised to Cabinet rank) he has the following:

For Secretary of State: William E. Borah of Idaho.

For Secretary of the Treasury: James Couzens of Michigan.

For Secretary of War: Smedley D. Butler of Pennsylvania.

For Secretary of the Navy: Franklin D. Roosevelt of New York.

For Secretary of the Interior: Major General Lytle Brown of Tennessee.

For Secretary of Commerce: Herbert Hoover of California.

For Attorney General: Frank Murphy of Michigan.

For Secretary of Labor: Edward Keating of Colorado.

No doubt, many others might find occasion to repeat Al Smith's words, as Huey puts them in print, when Al heard of his appointment: "What's the big idea, Huey?"

Huey had ideas. The next several years will determine their size or worth.

P. H.

Among those present:

INFLATION AND YOUR MONEY. By Howard Wood. *Chicago Tribune, Chicago.*

THE ECONOMIC AND FINANCIAL POSITION OF ITALY. *Oxford University Press, N. Y. \$.85.*

Here are excellent condensations of two subjects uppermost in our minds today. The first booklet about our own affairs, is concerned with an exposition of history's inflations, their causes and results, with an analysis in plain talk of our present situation.

The second booklet tells, by implication, some of the economic reasons that may have influenced Italy's present campaign in Ethiopia. It is a detailed, objective study of the state of Fascism today, answering the question of main interest to business men: what's what in Italy as far as fundamental economics and prospects for genuine prosperity are concerned.

A la Dillinger

"Would you give ten cents to help the Old Ladies Home?"

"What! Are they out again?"

—Navy Log.

The distaff side

(Cont. from page 22) with them in association affairs. The fact that our men now seek women's co-operation shows how far we have been able to overcome prejudice with courage.

It gives one a tremendous thrill to realize that some of our women who were our first pioneers are still active in our ranks and some of them are towers of strength in the positions they are filling in business now as they were towers of strength when women's activities in our national association were weak and struggling for existence. A list of the names of those women who have labored long, earnestly, and effectively in the interest of credit women everywhere would look like a "Who's Who" in the credit fraternity. For instance:—Miss Florence Banks of Los Angeles, who arranged for and presided at the 1925 meeting in Washington, D. C. Miss Mary Dunham of the Shepard & Niles Crane & Hoist Corp. of Montour Falls, N. Y. Miss Lillian Guth of New York City, for a long time chairman of the eastern division. Miss Josephine Hunt of Chicago, and her successor—Miss Oma Koch of St. Louis, both of whom put so much into the work of the central division. Miss Edna Browning of Seattle, Wash., comes to mind in this connection and countless names of other fine, outstanding women whose deeds should be written in our honor roll. To these women, our everlasting gratitude.

Due to the fact that the 1933 program was very late (Cont. on page 39)

Mrs. Askit—Do you really think the devil has horns and hoofs?

Mr. A.—No. If he had, the meat packers would have got him long ago.

Re: Social security taxes

Neither the Social Security Board nor the Bureau of Internal Revenue has yet promulgated rules and regulations to govern either the general administration of the Social Security Act or the collection of taxes under that Act, according to C. F. Baldwin, Washington Representative, National Association of Credit Men.

For many weeks a part of the very small organization which constitutes the Social Security Board, has been studying the Board's future requirements of periodic reports on employers but has not yet issued a statement regarding these requirements. Other members of the Board's staff have also been considering certain of the major problems requiring decision under the Act but no statement regarding the decisions reached on these or on scores of other less important problems which are expected to develop, has yet been forthcoming. The Board has issued certain suggestions to states regarding unemployment compensation legislation which will be acceptable to the Board.

It may be expected that, until Congress provides the appropriation originally intended, and is thereby able to develop a staff adequate to handle its very extensive duties, it will continue to be impossible to obtain very definite information regarding the future administration of this Act.

The Social Security Section of the Bureau of Internal Revenue, which is charged with the collection of taxes under the Act, expects to issue rules and regulations regarding the collection of taxes under Title IX sometime in January.

1936: Credit Interchange Year

Insurance has come through the years shoulder to shoulder with American business; a little grim and gaunt at times, but flag flying and victorious nevertheless. The strength of insurance has always been an added bulwark of finance. Check the safety of your investments by determining the adequacy of the insurance protecting them. Our representatives will be glad to lend their expert aid.

EQUITABLE
Fire and Marine
Insurance Company
of
Providence, R. I.

Cash Capital.....\$1,000,000.00
Net Surplus..... 3,832,750.70
Assets..... 6,031,368.30

Choose the Chelsea
Where You Get
The Best for
Your Money


HOTEL CHELSEA

SPECIAL WEEKLY
AND MONTHLY RATES

FROM
WITH
MEALS
AND BATH
\$6
ROOM,
BFT. &
\$4.40
DINNEE
ROOM
ONLY AND
BATH
\$3

EXCLUSIVE CHELSEA DISTRICT
ALL OUTSIDE BEDROOMS WITH
OCEAN VIEW. SUN DECK. NOTED CUISINE

THE CHARM OF THE CHELSEA is its atmosphere of cordiality and repose — enhanced by wide verandas overlooking fountained lawns and the Sea. A beautiful dining room at the Ocean's edge serving a bountiful table of excellently prepared food.



ATLANTIC CITY

JOEL HILLMAN • J. CHRISTIAN MYERS • JULIAN A. HILLMAN



Insurance digest



Co-insurance explained

The co-insurance clause is one feature that has occasionally proved puzzling, "The Home" of New York points out, but the co-insurance clause is not as complicated as it might seem—in fact it is rather simple when it is thoroughly understood.

This clause is an agreement between the insured and the company that the policyholder shall maintain insurance equal to a certain percentage of the value of the property covered. If he fails to carry that amount of insurance, he will then have to bear a share of any loss suffered and the company will only pay in the proportion that the amount of the policy bears to that

percentage of the property value shown in the co-insurance clause.

The co-insurance clause does not mean the company will only pay 80% (or whatever percentage the co-insurance clause may be) of any loss that the policy-holder may sustain. The fact is that if a property owner fully insures his property he will be entitled to collect the entire loss, not to exceed the value of insurance carried, as the clause becomes inoperative.

The true purpose of the co-insurance clause is to distribute the cost of insurance equitably among property owners and it has been universally adopted by insurance companies. Its fairness is demonstrated by the companies' willingness to grant a reduction in the rate or cost of insurance for the acceptance of this clause.

The operation of this clause furnishes an incentive to the owner to insure his property fully and to increase his insurance when there is an appreciation in values.



N. Y. Stock Exchange head discusses market controls

"I am not predicting that stock prices will become inflated. I recognize, however, that the stock market provides an inviting field where this might occur, largely because of that ready marketability which under normal conditions is such a benefit to business. Here we can have inflation in an insidiously pleasant form, under the guise of visible, day-by-day 'profits.' Further, the marketability factor provides a ready exit at that undefinable moment when, in the popular view, it will become expedient, for one reason or another, to transfer capital to some other medium than stocks. Like a thin spot in a tire casing, the stock market might conceivably become inflated the more, because of the inflexibility of other parts of the structure to which infla-

Business Credit Needs Business Life Insurance

Management has a tangible value, the loss of which can be replaced through adequate business life insurance, just as the value of your plant and equipment can be replaced through other forms of insurance.

Protect the investment represented by the brains and energy of the key men in your business. The business which insures its man value has strengthened its credit both in the present and in the future.

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS
C.F.N. 38

Meek Voice Over Telephone: "Doctor, this is Mr. Henpeck. My wife has just dislocated her jaw. If you're out this way next week or the week after, you might drop in and see her."—*The Phoenix Mutual Field.*

tionary pressure is applied.

"I would like to say here, parenthetically, that one thin spot in our tire casing is caused by the unscientific income tax imposed on capital gains. Innumerable instances have come to my attention where investors have been deterred from selling securities and taking their profits because of their unwillingness to share so large a portion of those profits with the Government. Thus, at a time when the number of buyers is unduly stimulated, the number of those who would naturally be sellers is artificially restricted. Sur-taxes upon capital gains and trading profits are a potent secondary cause of stock market inflation leading inevitably to ensuing stock market depression.

Examples illustrating the operation of the 80% co-insurance clause under varying conditions:

Example	Value	Insurance	Insurance required under the 80% Clause	Loss	Apportionment	
					Company	Policyholders
No. 1.....	\$10,000	\$6,000	\$8,000	\$1,000	\$750	\$250
No. 2.....	10,000	6,000	8,000	8,000	6,000	2,000
No. 3.....	10,000	8,000	8,000	2,000	2,000
No. 4.....	10,000	9,000	8,000	1,000	1,000
No. 5.....	10,000	8,000	8,000	10,000	8,000	2,000

"The principal danger, however, lies entirely outside of the mechanism of the Stock Exchange. It is to be found in the banking situation, which is characterized by unprecedentedly low money rates and by the greatest surplus reserves ever recorded. The ineffectiveness of these rates and these reserves is eloquent testimony to the state of shattered confidence and of subnormal business activity through which we have been passing. Given a sufficient degree of confidence, or perhaps of desperation, or even of reckless boredom over the prolonged idleness of money, a situation could develop which would threaten the gravest consequences through an upward flight of security prices. With business today at a far lower level than in 1929, it is unpleasant to contemplate the consequences of a runaway stock market inflation. In this early stage of economic convalescence the country cannot afford to permit a dangerous inflation in security prices, from whatever cause it may arise.—C. R. Gay.

What we get from the Association

(Cont. from p. 10) of a similar program. This program recognizes the failure of the direct method of exchanging payment record information. It recognizes the failure of the variety and number of proposals for service advanced for Credit Groups functioning independently, plus the answer to the question, "Shall those engaged in the field of commercial credit acknowledge by their 100 percent employment, the services of the National Association of Credit Men and its affiliated service units?"

Many other credit managers and financial executives must realize the value of the adoption of a similar program by the industry of which they are a part, to insure profitable administration of all commercial credit transactions. Our National Credit Interchange Bureau System can combine thousands of private enterprises to the general benefit of all, if—as Emerson said—we will put up our signboards.

Company unions

Company unions existed in 593, or 4 percent, of the 14,725 establishments which reported to the Bureau of Labor Statistics in a survey conducted in April 1935. In 97 of these establishments regular trade unions were also functioning. Of a total of 1,935,556 workers employed in the 14,725 establishments covered, 385,954 workers, or

approximately 20 percent, were employed in establishments which had company unions only, and 144,434, or 7.5 percent, in establishments dealing with both company unions and trade unions. Almost 5 percent of the company unions covered in the study were established during the war period, and 64 percent were established during the period of the N.R.A.

The perfect lady

A taxi driver charged with using profane language protested that the complainant, a woman, was no "lady."

"Indeed," said the magistrate. "I

wonder if you know a lady when you see one."

"Of course I do," answered the driver indignantly. "Why, only the other day I saw one. She gave me a five-dollar bill for a fifty-cent fare and walked away. 'Here, lady, what about your change?' I called after her.

"'Don't be a blinkin' old fool,' says she. 'Keep it an' get drunk enough to kiss your mother-in-law.' Now, that's what I call a lady."—McQuay Norris Broadcaster.

1936: Credit Interchange Year

Do You Know What Chances You're Taking?

There are certain rules for granting credit. You know them from years of experience and they all spring from a single purpose: don't take abnormal chances. Credit, like insurance, is based on averages — except that the loss ratio has to be lower.

One of the newer rules of enlightened credit is to make sure your debtor is adequately insured to protect the carefully investigated probability that he'll be able to pay, as well as to protect your interest in the property. (Carefully investigated—that's what counts. First you get general experience with each type of debtor, then you investigate each debtor carefully.)

In how many cases are you absolutely sure that every hazard that can and ought to be insured, really is adequately insured? Unless you are exceptional the answer is: mighty few!

Why not carefully investigate this aspect of every credit risk? How? You need not learn the insurance business from A to Z. There are competent agents as close as your telephone who will be glad to cooperate. Enlist your insurance agent as part of your credit investigating facilities. Why not call him now?

The
LONDON ASSURANCE

The
MANHATTAN
Fire and Marine Insurance Company

The
UNION FIRE
Accident and General Insurance Company

99 JOHN STREET

NEW YORK



Office-ally



See the world

George F. Cram has something very new and different on the market. It is an Illuminated Globe, designated as Model 309. Without illumination this globe is like any other geographical globe with colors and type. This illumination is arrived at by a tubular lamp inside the ball, thus making the colors and geographical details stand out. This is especially helpful at night. This new feature sells at \$6.00. They also have seventy-five different sizes, ranging in price from seventy-five cents to fifty dollars. Catalog upon request.

Record protection

Designed to prevent the illegal substitution or altering of records, and to ensure security for bookkeepers and business proprietors, the National Blank Book Company has recently perfected a system of registry service in connection with its National End-Bound account books.

Under the new plan the line of books, which are equipped with Eye-Ease Hammermill ledger paper, can now be registered with the National Blank Book Company under individual numbers. Persons wishing this service need only fill out a postcard provided for that purpose with each book. A key number is then placed on file in

the company's vault which may be used at any time to certify the book owner, his accountant or attorney in any litigation, and to identify the book.

Such registry, officials of the company pointed out protects both the bookkeeper and the firm against unauthorized substitution of another blank book of the same thickness and ruling because it would not be possible to obtain a similar book with the same registration number. Also, it was said, the Eye-Ease paper readily reveals alteration in much the same way as tinted or safety paper used for checks.

The National Blank Book Company makes no charge for this registration service which began October 15 when stock for the National line of End-Bound books was available. "Office Appliances."

Fireproof files

A new line of steel safe filing drawers has been announced by the Meilink Steel Safe Company of Toledo, Ohio. This line offers fire protection to important office records and correspondence. These drawers are constructed on the same principle as the Meilink steel safes. The Thermo-Cel insulation is built completely around each drawer and the insulation itself is protected by two steel walls, one inside and one outside.



New "Ditto" announced

A new style of hand-fed rotary duplicating machine is announced by Ditto, Inc., Harrison at Oakley Blvd., Chicago, Ill. This new duplicator is made in light and compact form so that it may be moved from desk to

desk quite easily. This new model of gelatin duplicator reproduces either pencil, pen, ink or typewritten work. At Ditto, Inc., manufacturers of this model, it was announced that it was designed especially for office work where quick, accurate and expensive copies of bulletins, reports, price lists, price change announcements, collection records, production orders, inventory lists and similar records need to be reproduced. The manufacturers of this new model also offer it as an efficient machine for use in school work. The illustration here shows a school boy making a copy of a state map for use in his classroom. Ditto, Inc., stresses the point that any school boy or office assistant can operate this new model with ease.

Nine column adder

The Barrett Adding Machine Division of the Lanston Monotype Machine Co., in Philadelphia, Pa., is offering a new line of Barrett desk machines. They present four models. Model 82-AE seems to be the most attractive. This model offers electrical operation, direct subtraction, 72-key type, portable, weight twenty-seven and a half pounds, size 9 x 12 inches, adding and listing, nine-column totaling, capacity of 9,999,999.99. The machine is equipped with eight rows of nine keys each. It has a standard, flexible keyboard, including subtraction key, minus sign and non-print lever, clear sign, total sign, sub-total sign, and non-add sign. Operating keys are in easy reach of the right thumb in normal operation; the non-print lever prevents the paper from feeding from the paper carriage which is four and a quarter inches wide. The machine is fitted with an automatic ribbon reverse and unit keyboard construction. Auxiliary visible adding dials permits the new machine to be used for non-listing sales listing.

The machine is finished attractively with a satin damaskeen case and a black japanned base, ribbon cover and paper bracket. The keyboard and top plate are green.

Electrically operated by General Electric 110 or 220 volt universal motor, for use with alternating or direct current, the machine is tested at the factory at the speed of 165 strokes a minute. It retails for \$125.00. "Office Appliances."

EN The distaff side

(Cont. from page 35) in getting under way the survey, previously mentioned, was the big feature of the year's work, as to business. However, the credit women's group of Los Angeles filled a most conspicuous place in the preparations for the 1934 national convention. They achieved a brilliant success.

It had been planned that a meeting of the National Credit Women's Executive Committee would be held at the 1934 convention but this plan was upset and this meeting was, in consequence, postponed to the 1935 national convention in Pittsburgh, Pa. In this, as in the previous year, the work of the women was exceptional. As the personal guests of Miss Laurretta Walter, the national committee member in the Pittsburgh area, the entire national committee met in the Wm. Penn hotel during convention week for a breakfast and held our first national committee meeting, as such. Out of a total committee membership of fifteen there were seven regular members and five proxies in attendance at this annual meeting and certainly there could be no more gratifying evidence of the interest there is in women's work nationally. A part of the business of that meeting was the reading of the minutes of the first regular meeting of credit women in 1925. This national women's committee, at the Pittsburgh meeting pledged:—its loyal support to the National Association of Credit Men and to the local associations therein; its best effort to assist in the maintaining of old, and establishing of new, traditions for lasting success in credit work; to help the younger people just about to go into the field so that, from the trying years we have been through and the success we have attained, they make gain the courage to labor valiantly.

When the credit women celebrated the Tenth Birthday of the organization of the national group at Pittsburgh in June of 1935 it seems it must have been in the minds of every person there that our history is only just now—after ten years—beginning to be written. What the next ten years will show in the way of progress remains to be seen but that it is bound to be a record of achievement is unquestioned. Success is ours if we will it and, without doubt, the most fitting way to close this history is to quote the admonition given by our benefactor—Mr. J. Harry

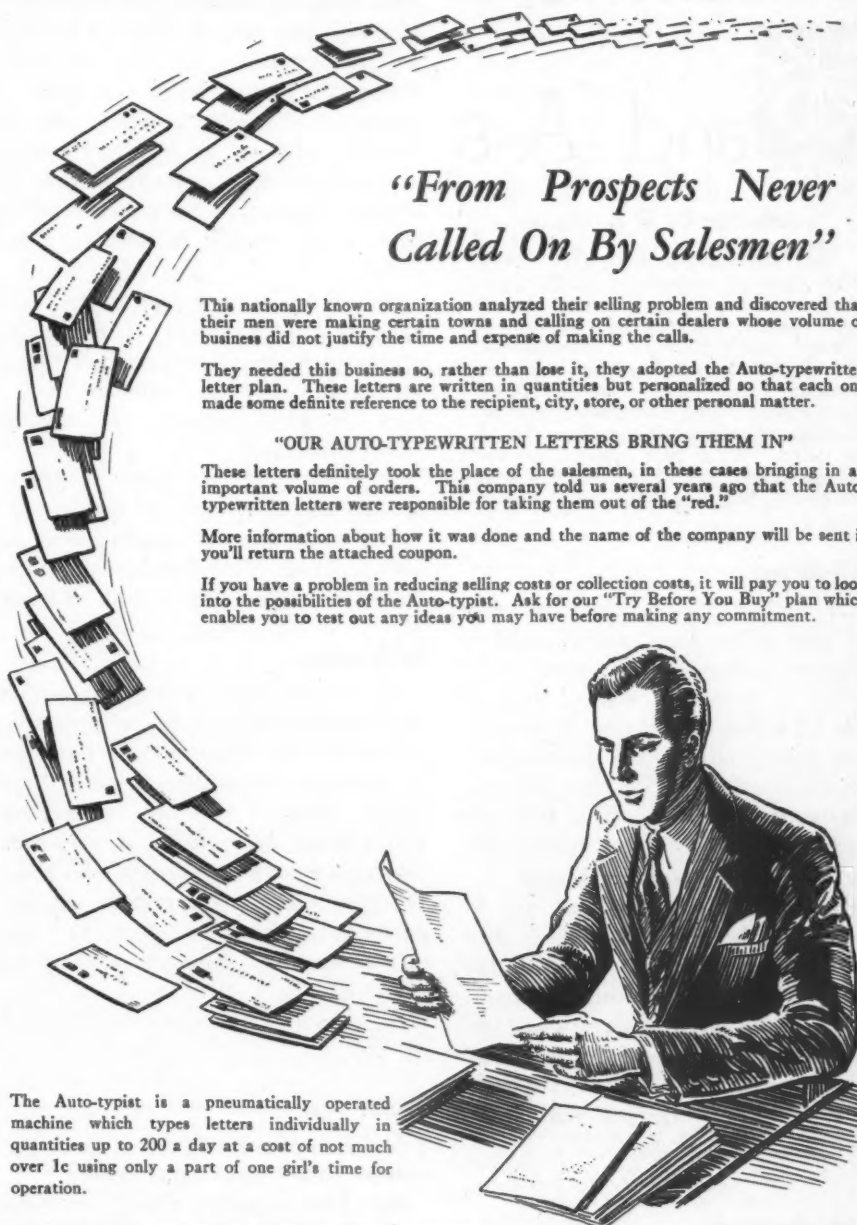
Tregoe—when he addressed, as was his yearly custom, the Credit Women's convention breakfast.

Said Mr. Tregoe—"The entrance of women into the field of credit management is one of the historic events in our work and I have watched it with a very close scrutiny. You have a genius. You have a keenness of intellect. You have an inherent intuition. In my opinion, you have given a finish and a fineness to credit management, and for that you should be recognized.

"May I say to you this morning—and I am talking to each one of you intimately—you are more needed now in

credit circles and in the work of this organization than ever before in your history. This group is more needed than ever before. Are you going to respond? Are you going to make your influence felt? Are you going to dignify your profession—for such it is? Are you going to increase your mental capacity? These are live questions that you must face if you would succeed. When this meeting is over take up your work; go back to your several desks and to your communities resolved that this organization of which you are a part needs you and always remember your individual responsibility to it."

"ORDERS COME IN EVERY DAY"



"From Prospects Never Called On By Salesmen"

This nationally known organization analyzed their selling problem and discovered that their men were making certain towns and calling on certain dealers whose volume of business did not justify the time and expense of making the calls.

They needed this business so, rather than lose it, they adopted the Auto-typewritten letter plan. These letters are written in quantities but personalized so that each one made some definite reference to the recipient, city, store, or other personal matter.

"OUR AUTO-TYPEWRITTEN LETTERS BRING THEM IN"

These letters definitely took the place of the salesmen, in these cases bringing in an important volume of orders. This company told us several years ago that the Auto-typewritten letters were responsible for taking them out of the "red."

More information about how it was done and the name of the company will be sent if you'll return the attached coupon.

If you have a problem in reducing selling costs or collection costs, it will pay you to look into the possibilities of the Auto-typist. Ask for our "Try Before You Buy" plan which enables you to test out any ideas you may have before making any commitment.

The Auto-typist is a pneumatically operated machine which types letters individually in quantities up to 200 a day at a cost of not much over 1c using only a part of one girl's time for operation.

American Automatic Typewriter Company, 608 North Carpenter Street, Chicago, Illinois
Please send us a report on using letters to "Bring them in."

Name.....
Firm.....
Address.....
City.....State.....



Credit "Q"s



and "A"s

Conducted by E. B. Moran

The National Association of Credit Men supplies answers to credit questions and some of the answers, of general interest, are printed regularly in *Credit and Financial Management*. Advice cannot be given, however, regarding legal rights and liabilities. Such advice should be obtained from an attorney to whom all the facts should be stated. When such inquiries are received, information is furnished only as to the general principle of the law involved.

Mail delivery

Q. If I mail a letter to a customer and after it has been posted, wish to avoid the delivery of the same, what process or procedure must I follow?

A. To stop delivery of a letter already posted, address the second envelope, the duplicate of the first and rush it to your postmaster, who will give you Form 1509 to fill in. This duplicate is required for identification.

Your post office will then get in touch with the Station to which your first letter has been sent and with the carrier who would naturally deliver. Letters to distant points are wired on, even cabled for. The sender must pay for this, but if the letter is caught at the station of mailing or within the City, there is no charge.

Alien inheritance

Q. (a) According to New York

laws, can an alien inherit real property left by a testator?

(b) What is the condition of the same question to apply to the New Jersey law?

A. (a) Yes. (b) Yes.

Aliens and liquor

Q. I just discovered that one of my customers, a woman, operating a tavern and selling beer and liquors, is not a citizen. Are there any regulations that would jeopardize the account?

A. Licenses to sell beer and liquor are not issued to aliens in New York and New Jersey, except in special instances. The Alcoholic Beverage Department of the State extends that ruling to all persons dispensing beer as well as other liquors. If the particular case you have in mind is brought to the attention of the Alcoholic Board, the license, which was given to the woman, would unquestionably be revoked without notice which would probably place your entire account in serious jeopardy. Such accounts, if sold at all, should be sold only for cash.

Q. One of our customers, who operates a tavern, is not a citizen and is known to have boasted about voting at the last election. Should such a man, in your opinion, be extended credit privileges?

A. No. If the party is apprehended and convicted, he can be subjected to a fine or imprisonment or both. A man of such lack of character should be sold only for cash in advance.

Bankruptcy

Q. Can a Trustee or a Receiver in bankruptcy institute any action to compel delinquent officers of the insolvent or bankrupt corporation to make good losses sustained by the corporation which arose by transfer of corporate monies, without consideration or benefit or by reason of any other misconduct of the officers by which the property or assets of the corporation were depleted?

A. Yes. (Quintal vs. Kellner 264 N. Y.)

Doctor's car

Q. Is a physician's or surgeon's car exempt from levy or attachment?

A. The Supreme Court of New York State recently handed down a decision of great interest to credit and

collection men everywhere. Judge Lyttle, sitting in Buffalo, New York, held that a physician's car is not within the class of exemptions which cannot be levied on under judgment. The doctor in this case contended that his car was an instrument necessary to his practice. The court held that it was not and therefore was subject to attachment under judgment.

We are indebted to Mr. James D. Huestis, Manager of the Western New York Adjustment Corporation, for the report on this case.

Goods in transit

Q. Is it customary to include goods in transit as a part of inventory and as a part of the accounts payable?

A. Inquiry among accountants indicates that it is a general practice to always include goods in transit in the inventory and also in the accounts payable, indicating the amount.

Cartage

Q. Should the expense of cartage inward be regarded as a part of the cost of the goods or as an expense?

A. Various credit executives and accountants consulted generally regard duties and freight as legitimate additions to the cost price of merchandise, but no other items should be added except under unusual circumstances.

For further details, it is recommended that the Federal Reserve Board publication entitled "Approved Methods for the Preparation of Balance-Sheet Statements" be consulted, which seems to give sufficient authority to support the above opinion that inward freight should be regarded as a part of the cost of goods and not as an expense.

Funded debt

Q. What is a funded debt?

A. One that is permanent or runs for a fixed period of time, usually several years and bears regular interest and, in the case of bonds, the principal also is payable at a certain fixed date.

Canada's consuls

Q. Name the Canadian Consuls in New York City.

A. Canada has no Consuls in the United States.

1936: Credit Interchange Year

Roster of N. A. C. M. affiliated associations

as of December 15, 1935

NATIONAL OFFICERS

President
P. M. HAIGHT
International General Electric Co.
New York, N. Y.

PAUL FIELDEN
The Norton Company
Worcester, Mass.

Vice-Presidents
RALPH T. FISHER
American Trust Co.
Oakland, Cal.

E. PILSBURY
B. Rosenberg & Sons
New Orleans, La.

Executive Manager, Secretary & Treasurer
HENRY H. HEIMANN
1 Park Avenue
New York, N. Y.

ALABAMA—*Birmingham*—Mr. W. C. Darby, Mgr., Birmingham C. M. A., 517-19 Lyric Bldg.
ARIZONA—*Phoenix*—Mr. R. V. Willis, Secy., Mgr., Arizona Ass'n. of Credit Men, 227 Industrial Bldg.
ARKANSAS—*Little Rock*—Mrs. L. Periman, Secy.-Mgr., Little Rock A. C. M., 220 Gay Bldg.
CALIFORNIA—*Los Angeles*—Mr. S. P. Chase, Secy., Los Angeles C. M. A., 111 W. 7th St.
Oakland—Mr. Kenneth S. Thomson, Secy.-Mgr., Oakland A. C. M., 218 Central Bank Bldg.
San Diego—Mr. Lawrence Holzman, Secy.-Mgr., San Diego Wholesale C. M. A., Bank of America Bldg.
San Francisco—Mr. O. H. Walker, Secy.-Mgr., Credit Mgrs. Ass'n. of No. & Cent. Calif., 333 Montgomery St.
COLORADO—*Denver*—Mr. J. B. McKelvy, Secy.-Mgr., Rocky Mountain A. C. M., 810 14th St. Bldg.
Pueblo—Mr. Roy A. Payton, Asst. Secy., Pueblo A. C. M., P. O. Box 474.
CONNECTICUT—*Connecticut*—Mr. Eugene N. Dietler, Connecticut A. C. M., 23 Temple St., New Haven.
Bridgeport—Mr. N. C. Brooks, Secy., Bridgeport A. C. M., c/o Dictaphone Corp., 375 Howard St.
Hartford—Mr. R. W. Hurlbut, Secy., Hartford A. C. M., c/o The Peck Stow & Wilcox Co., Southington, Conn.
New Haven—Mr. Geo. H. Priess, Secy., New Haven A. C. M., c/o Winchester Repeating Arms Co.
Waterbury—Mr. Louis S. Fitch, Secy., Waterbury A. C. M., 36 N. Main St.
DISTRICT OF COLUMBIA—*Washington*—Mr. J. H. Parker, Secy., Washington A. C. M., 755 Munsey Bldg.
FLORIDA—*Jacksonville*—C. A. of Northern Florida, 201-02 Graham Bldg.
Tampa—Mr. S. B. Owen, Secy., Tampa A. C. M., P. O. Box 2128.
GEORGIA—*Atlanta*—Mr. Fred H. Sned, Secy.-Mgr., Atlanta A. C. M., 305 Chamber of Commerce Bldg.
IDAHO—*Lewiston*—Mr. Frank Morris, Secy., Lewiston Wholesale C. A., Room 307, Breier Bldg.
ILLINOIS—*Chicago*—Mr. J. F. O'Keefe, Secy., Chicago A. C. M., 21st Fl., Merchandise Mart.
Peoria—Mr. Frank A. Weber, Secy., Peoria A. C. M., 309 S. Jefferson St.
Quincy—Mr. Lon. P. Eversden, Secy., Quincy A. C. M., c/o Quincy Show Case Works.
Springfield—Miss Eda Mueller, Secy., Springfield A. C. M., c/o Geo. A. Mueller Co.
INDIANA—*Evansville*—Mr. A. H. Oschmann, Secy., Evansville A. C. M., 504 Furniture Bldg.
Fort Wayne—Mr. Fred K. White, Secy., Fort Wayne A. C. M., 314 Transfer Bldg.
Indianapolis—Mr. Merritt Fields, Exec. Mgr., Indianapolis A. C. M., Peoples Bank Bldg.
South Bend—Mr. E. J. Payton, Exec. Mgr., South Bend A. C. M., 2nd Fl., News Times Bldg.
Terre Haute—Mr. Moss M. Threlkeld, Secy., Terre Haute A. C. M., c/o Mid-Continent Petroleum Corp., 500 N. 14th St.
IOWA—*Burlington*—Mr. Jesse L. Thomas, Secy.-Treas., Burlington A. C. M., 515 Iowa State Bank Bldg.
Cedar Rapids—Mr. Milo O. Hanzlik, Secy., Cedar Rapids A. C. M., 615 Hingley Bldg.
Davenport—Mr. H. B. Betty, Secy., Tri-City C. M. A., First Nat'l Bank Bldg.
Des Moines—Mr. Don E. Neiman, Secy.-Treas., Des Moines C. M. A., 820 Valley Nat'l Bank Bldg.
Sioux City—Mr. P. A. Lucey, Exec. Mgr., Interstate A. C. M., P. O. Box 1260, 625 Badgerow Bldg.
Waterloo—Mr. J. E. Jordan, Secy., Waterloo A. C. M., 214 Marsh-Place Bldg.
KANSAS—*Wichita*—Mr. M. E. Garrison, Secy.-Treas., Wichita A. C. M., Inc., 429 First Nat'l Bank Bldg.

KENTUCKY—*Lexington*—E. M. McGarry, Secy., Lexington C. M. A., Inc., Short and Mill Sts.
Louisville—Mr. S. J. Schneider, Secy.-Mgr., Louisville C. M. A., 333 Guthrie St.
LOUISIANA—*New Orleans*—Mr. Chas. G. Cobb, Secy.-Mgr., New Orleans C. M. A., 1007 Queen and Crescent Bldg., Camp St. and Natchez Pl.
Shreveport—Mr. John A. B. Smith, Secy.-Mgr., Shreveport Wholesale C. M. A., Inc., P. O. Box 371, 214 Ardis Bldg.
MARYLAND—*Baltimore*—Mr. Ira L. Morningstar, Secy.-Mgr., Baltimore A. C. M., 301 W. Redwood St.
MASSACHUSETTS—*Boston*—Mr. Joseph M. Paul, Secy., Boston C. M. A., 38 Chauncy St.
Springfield—Mr. H. R. Congdon, Acting Secy., Western Mass. A. C. M., c/o White & Wyckoff Mfg. Co., Holyoke, Mass.
Worcester—Mr. Albert M. Pierce, Secy., Worcester County A. C. M., c/o Gilman & Moffet Co., 207 Main St.
MICHIGAN—*Detroit*—Mr. O. A. Montgomery, Secy.-Mgr., Detroit A. C. M., 1282 First Nat'l Bank Bldg.
Flint—Mr. H. E. Rachar, Secy.-Mgr., Flint-Saginaw Valley A. C. M., 308 Paterson Bldg.
Grand Rapids—Mr. Edw. DeGroot, Secy., Grand Rapids A. C. M., 602 Ass'n of Commerce Bldg.
Jackson—Mr. Lewis Atherton, Secy., Jackson A. C. M., Germania Bldg., 300 Francis St.
Kalamazoo—Mr. Geo. H. Martin, Secy.-Mgr., Credit Assn. of Southwestern Mich., 306 Commerce Bldg.
Lansing—Mr. Hubert C. Carlton, Secy., Lansing A. C. M., c/o Weissinger Paper Co., 201 N. Hosmer St., P. O. Box 148.
Saginaw and Bay City—Mr. Julius Feldman, Secy., Northeastern Mich. A. C. M., c/o Schust Bakery of Loose Wiles Biscuit Co., Saginaw.
MINNESOTA—*Duluth*—Mr. E. G. Robie, Secy.-Treas., Duluth-Superior District C. A., 405 Christie Bldg.
Minneapolis—Mr. H. S. Holbrook, Secy.-Treas., Minneapolis A. C. M., 420 Rand Tower.
St. Paul—Mr. T. E. Reynolds, Secy.-Treas., St. Paul A. C. M., 801 Guardian Bldg.
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St. Joseph—Mr. E. H. Kleiner, Secy., St. Joseph A. C. M., c/o Quaker Oats Co., 202 S. 2nd St.
St. Louis—Mr. Orville Livingston, Secy.-Treas. and Mgr., St. Louis A. C. M., 800 Commercial Bldg.
MONTANA—*Billings*—Mr. M. J. Davies, Secy., Montana-Wyoming A. C. M., 439-441 Stapleton Bldg.
Great Falls—Mr. Carl A. B. Anderson, Secy.-Treas., Northern Montana A. C. M., P. O. Box 1784, 11 Conrad Bank Bldg.
Helena—Mr. P. G. Schroeder, Asst. Secy., Helena A. C. M., 26 W. Sixth St.
NEBRASKA—*Lincoln*—Mr. Guy C. Harris, Secy.-Treas., Lincoln A. C. M., P. O. Box 1039.
Omaha—Mr. G. P. Horn, Exec. Mgr., Omaha A. C. M., 2nd Fl., Sunderland Bldg., 15th and Harney Sts.
NEW JERSEY—*Newark*—Mr. Wm. H. Whitney, Secy.-Mgr., New Jersey A. C. M., 20 Branford Pl.
NEW YORK—*Albany*—Mr. Howard W. Osborne, Secy., Eastern N. Y. A. C. M., c/o Albany Lumber & Planing Mill Co., Inc., Bridge and Mill Sts., P. O. Box 725.
Binghamton—Mrs. R. Thelma Cottrell, Secy., Binghamton A. C. M., 66 Chenango St.
Buffalo—Mr. Ira D. Johnson, Secy.-Treas., C. A. of Western New York, 544-552 Gerans Bldg.
Elmira—Mr. James E. Personius, Secy., Elmira A. C. M., Robinson Bldg.
Jamestown—Jamestown A. C. M., P. O. Box 775.
New York—Mr. Wm. Walker Orr, Secy., New York C. M. A., 354 Fourth Ave.

Rochester—Mr. Herbert T. Haidt, Secy., Rochester A. C. M., 34 State St.
Syracuse—Mr. Ernest H. Stauber, Secy.-Mgr., Syracuse A. C. M., 208 Herald Bldg.
NORTH CAROLINA—*Charlotte*—Mr. E. C. Fearrington, Secy., Carolina A. C. M., Inc., 512-14 Commercial Bank Bldg.
NORTH DAKOTA—*Fargo*—Mr. J. N. Jensen, Secy.-Treas., Fargo-Moorhead A. C. M., 60 1/2 Broadway.
Grand Forks—Mr. C. I. Hoyme, Secy.-Treas., A. C. M., c/o Grand Forks Mercantile.
OHIO—*Cincinnati*—Mr. Harry W. Voss, Secy.-Mgr., Cincinnati A. C. M., 720 Temple Bar Bldg.
Cleveland—Mr. Hugh Wells, Secy.-Mgr., Cleveland A. C. M., 410 Leader Bldg.
Dayton—Mr. L. J. Bouchard, Secy.-Mgr., Dayton A. C. M., 9 W. Monument Ave.
Marietta—See Parkersburg, W. Va.
Toledo—Mr. Geo. B. Cole, Exec.-Mgr., Toledo A. C. M., 622 Madison Ave.
Youngstown—Mr. O. E. Johnson, Secy., Youngstown A. C. M., 318 Mahoning Bank Bldg.
OKLAHOMA—*Oklahoma City*—Mr. E. E. Barbee, Mgr., Oklahoma Wholesale C. M. A., 901-904 Cotton-Grain Exchange Bldg.
OREGON—*Portland*—Mr. E. W. Johnson, Mgr., Portland A. C. M., 471 Pittcock Block.
PENNSYLVANIA—*Allentown*—Mr. J. H. I. Reinhard, Secy.-Mgr., Lehigh Valley-Berks C. A., Inc., 501 Hunsicker Bldg.
Altoona—Mr. Paul A. Kerin, Dist. Mgr., C. A. of Western Penna., 1413 11th Ave., P. O. Box 385.
Harrisburg—Mr. Earl V. Glace, Secy., Harrisburg A. C. M., c/o Devine & Yungel Shoe Mfg. Co.
Johnstown—Mr. John R. Vogle, Dist. Mgr., C. A. of Western Penna., 634 Swank Bldg.
Philadelphia—Mr. Samuel Ardron, Jr., Secy., C. M. A. of Eastern Penna., 607 Integrity Bldg., 16th and Walnut Sts.
Pittsburgh—Mr. H. M. Oliver, Exec. Mgr., C. A. of Western Penna., 6th Fl., Westinghouse Bldg., 9th St. and Penn Ave.
Uniontown—Mr. F. W. Moiser, Dist. Mgr., C. A. of Western Penna., 704-705 2nd Nat'l Bank Bldg.
RHODE ISLAND—*Providence*—Mr. Charles G. Pixley, Secy., Rhode Island A. C. M., 87 Weybosset St.
SOUTH DAKOTA—*Sioux Falls*—Mr. E. L. Heber, Secy., Sioux Falls A. C. M., c/o Sioux Falls Paint & Glass Co.
TENNESSEE—*Chattanooga*—Mr. C. H. McCollum, Secy.-Treas., Chattanooga A. C. M., Hamilton National Bank Bldg.
Knoxville—Mr. W. A. DeGroat, Secy.-Mgr., Knoxville A. C. M., P. O. Box 2188.
Memphis—Mr. E. C. Correll, Secy.-Mgr., Memphis A. C. M., 206 Randolph Bldg., P. O. Box 344.
Nashville—Mr. Buford K. Harmon, Secy., Nashville A. C. M., Suite 705-709 Stahlman Bldg.
TEXAS—*Austin*—Mr. Horace C. Barnhart, Secy.-Mgr., Austin Wholesale C. M. A., P. O. Box 1016.
Dallas—Mr. Leland T. Dysart, Secy.-Mgr., Dallas Wholesale C. M. A., 620 Santa Fe Bldg.
El Paso—Mr. J. L. Vance, Secy.-Mgr., Tri-State A. C. M., 620 Caples Bldg.
Fort Worth—Mr. John L. Leyhe, Secy., Fort Worth A. C. M., 517 First Nat'l Bank Bldg.
Houston—Mr. Morris D. Meyer, Secy.-Mgr., Houston A. C. M., Inc., 433 1st Nat'l Bank Bldg.
San Antonio—Mr. Henry A. Hirschberg, Secy.-Mgr., San Antonio Wholesale C. M. A., Alamo Nat'l Bank Bldg.
Waco—Mr. E. G. Lilly, Secy., Waco A. C. M., c/o Citizens Nat'l Bank.
UTAH—*Salt Lake City*—Mr. Robert Peel, Secy.-Mgr., Inter Mountain A. C. M., 321-329 Clift Bldg., P. O. Box 866.
VIRGINIA—*Bristol*—Mr. Geo. D. Helms, Secy., Bristol A. C. M., P. O. Box 333.
Lynchburg—Mr. S. H. Wood, Secy., Lynchburg A. C. M., Lynch Bldg.
Norfolk—Mr. J. Reed Battin, Secy., Norfolk-Tidewater A. C. M., c/o Whitchard Bros., 108 Randolph St.
Richmond—Mr. J. P. Abernethy, Secy.-Mgr., Richmond A. C. M., Inc., 305 Travelers Bldg., P. O. Box 1178.
Roanoke—Mr. H. W. Hobson, Secy., Roanoke A. C. M., c/o Roanoke City Mills, P. O. Box 2045.
WASHINGTON—*Bellingham*—Mr. W. F. Fisher, Secy.-Mgr., Bellingham A. C. M., 463 1st Nat'l Bank Bldg.
Seattle—Mr. C. P. King, Secy.-Mgr., Seattle A. C. M., 7th Fl., Alaska Bldg.
Spokane—Mr. J. D. Meikle, Secy., Spokane Merchants A., 718 Realty Bldg.
Tacoma—Mr. Edw. B. Lung, Secy.-Mgr., Tacoma A. C. M., Tacoma Bldg., P. O. Box 1346.
WEST VIRGINIA—*Bluefield*—Mr. Clyde B. Smith, Secy.-Mgr., Bluefield A. C. M., P. O. Box 449.
Charleston—Mr. Ira W. Belcher, Secy., Charleston A. C. M., Rm. 400-1, 804 Quarrier St.
Clarksburg—Mr. U. R. Hoffman, Secy.-Mgr., Central West Virginia Credit & Adjustment Bureau, 408, 410, Union Nat'l Bank Bldg.
Huntington—Mr. C. C. Harrold, Secy., Tri State A. C. M., 228 1st Huntington Nat'l Bank Bldg.

(Cont. on page 46)



Court decisions



RE ALLIED OWNERS' CORPORATION, Debtor. MANUFACTURERS TRUST COMPANY, Trustee, Appl. *United States Circuit Court of Appeals, Second Circuit, December 10, 1934. (74 F. (2d) 201.)*

APPEAL by the trustee from an order denying its motion to be allowed to exercise the claim of a right to vote on behalf of bondholders secured by a mortgage in a proceeding for reorganization. **Affirmed.**

1. A Trustee in a mortgage securing corporate bonds which are in default, although having under the provisions of the mortgage authority to protect and secure the property, is not a creditor entitled to vote, to the exclusion of the bondholders, on a plan of reorganization of the corporation, under Sec. 77B of the Bankruptcy Act (U. S. C. title 11, Sec. 207), modifying the mortgage as to rate of interest and time of maturity, where there is nothing in the mortgage indicative of authority to the trustee to vote for or against any plan affecting the mortgage lien.

2. In order to render the act of a trustee under a mortgage securing corporate bonds, in voting on a plan of reorganization modifying the mortgage, under Sec. 77B of the Bankruptcy Act (U. S. C. title 11, Sec. 207), binding on the bondholders, the trust deed, by its terms, must show that the trustee is authorized to represent the bondholders, since otherwise he has no power to compel the bondholders to make

a new or different contract, nor to discharge or compromise the security.

3. The powers and duties of the trustee in a mortgage securing corporate bonds are measured by the terms of the indenture of mortgage, and the court must look to that instrument for all of his authority.

J. I. SHANNON, Appl., v. JAMES A. SUTHERLAND, Receiver of First National Bank in Florence, South Carolina, et al., United States Circuit Court of Appeals, Fourth Circuit—January 8, 1935. (74 F. (2d) 530.)

APPEAL by complainant from a decree of the District Court of the United States for the Eastern District of South Carolina in favor of defendants in a suit to have his deposit balance set off against his liability on a note upon which he appeared as indorser. **Reversed.**

1. A depositor in an insolvent bank has a right to set off his deposit against his liability on a note held by the bank upon which he is primarily liable, or which he is ultimately bound to pay although not primarily liable.

2. An indorser on a note held by an insolvent bank, who is not primarily liable upon the instrument, may set off his deposit in the bank against his liability on the note, if the maker is insolvent and the indorser is the one upon whom the burden of payment will ultimately fall, but an indorser who is only secondarily liable has no right of set-off where he has been indemnified or the maker is solvent.

3. While at law each of several indorsers primarily liable on a note held by an insolvent bank is jointly and severally liable for the full amount of the note, as regards the equitable right of an indorser to set off his deposit in the bank against his liability on the note, the primary obligation of each indorser is for his proportionate share of the liability, with a secondary liability for the amounts for which the others are primarily liable.

4. Where each of several indorsers on a note executed for the raising of funds by them to purchase land, and held by an insolvent bank, is primarily liable thereon for his share of the debt, with a secondary liability for the amounts for which the others are primarily liable, an indorser is not entitled to set off his deposit in the bank against his secondary liability on the note to the extent that he is indemnified against loss under a provision in the agreement between the parties that upon failure of any of them to pay his proportionate share of the liability the interest in the property to which he would otherwise be entitled shall belong to the party or parties paying the same.

5. The remedy of equitable set-off may be enforced independently of the statute governing set-off where, from the nature of the claim, or from the situation of the parties, it is impossible to obtain justice by plea or cross action.

NATIONAL BANK OF SUFFOLK, Plff. in Err., v. AMERICAN BANK & TRUST COMPANY. (Virginia Supreme Court of Appeals—November 15, 1934.) (-Va., 177 S. E. 229.)

ERROR to the Circuit Court of the City of Suffolk to review a judgment in favor of plaintiff in an action by notice of motion brought to recover an amount claimed to be due it on a draft executed by defendant for that amount. **Affirmed.**

1. A payee who receives a completed negotiable instrument from the holder thereof, for value, before maturity, without notice of any infirmity, and in good faith, is a holder in due course within the purview of the Negotiable Instruments Law.

2. Knowledge of a bank cashier who, without authority and acting for his own benefit, draws a check on funds of the bank to pay his individual debt, cannot be imputed to the bank so as to render it responsible to the payee for his act on the ground of agency.

3. Although under the Negotiable Instruments Law every holder is deemed prima facie to be a holder in due course, the presumption is rebutted as to a payee who takes a note directly from the maker.

4. To constitute notice of infirmity in a check drawn by a cashier on funds of the bank and delivered to another bank to pay his individual debt to it, the latter must have had actual knowledge of such infirmity, or knowledge of such facts that its action in taking the check amounted to bad faith.

5. Bad Faith on the part of a payee bank precluding its recovery on a draft executed by another bank is not shown by evidence merely that the cashier of the latter delivered the draft to it in payment of his individual debt, where the draft is regular and complete on its face, is not overdue, and is signed by another officer of the bank authorized to issue drafts thereof, although the cashier had previously given a check on his own bank in payment of his debt without having money to his credit.

Collective agreements

Shortly after the passage of the Ontario Industrial Standards Act, making collective agreements enforceable as law, the building trades of the Toronto area secured legalized schedules establishing hourly wage rates of 50 and 60 cents for unskilled labor and 75 cents to \$1 for journeymen. A 5-day, 40-hour week, 8 legal holidays in addition to Saturdays and Sundays, and definite provisions for increased rates for overtime work were also established for skilled workers.

Fifty-fifty

Professor (to mother of Freshman): "Your son has a great thirst for knowledge. Where does he get it?"

Mother: "He gets the knowledge from me and the thirst from his father."

NEWS ABOUT CREDIT MATTERS

A Section Devoted to Association Affairs

Get a Member
in January

JANUARY, 1936

Save on Losses
With Interchange

President Haight Warns of Danger Seen in Inflation

Speaks at Rochester on Some Difficulties from Excess Reserve

Rochester, New York.—President P. M. Haight of the National Association of Credit Men was the speaker at the December 11th meeting of the Rochester Credit Men's Association. Mr. Haight declared in his talk before our local members, that the greatest threat to the current recovery is the possibility of inflation of a drastic variety.

Mr. Haight pointed out further that businessmen and bankers must actively espouse a policy of vigilance on the part of authorities so that we will not have repeated the costly prosperity which we had in the years preceding the collapse in 1929.

Mr. Haight pointed to the danger of excess reserves in our banking system. "It is one of the things that needs close attention," he said. "In any analysis of recovery such as we are experiencing we must always remember that recovery and inflation are of the same cloth. Recovery, however, is making the best suit of the cloth you have on hand. Inflation, on the other hand, is cutting a suit of clothes to a pattern that demands far more cloth than you have or have reason to expect within the near future."

N. Y. Credit Men Talk Plans With C. P. A.'s

New York, N. Y.—The New York Credit Men's Association, the Uptown Credit Group, affiliate of the National Federation of Textiles, and the Downtown Textile Credit Group, as well as the members of the Robert Morris Associates, accepted the invitation of the New York State Society of Certified Public Accountants for a joint meeting held at the Waldorf-Astoria on Monday night, December 19th, for a conference on credit subjects. Material facts for credit information was the subject.

GRADUATES



Hopkins to End Long Service in Northwest Area

Twin Cities, Minn.—January 1st, 1936, was graduation day for one of the leading personalities in the credit and financial affairs of the Northwestern trading area. On that date Mr. F. J. Hopkins completed a long service and business activities and is now enrolled on the retired list, having retired as president of the Northwestern Jobbers Credit Bureau after having served as president of that organization continuously since 1926.

Mr. Hopkins plans to spend a considerable portion of his time in the future in travels and also in pursuit of his hobby, fishing, both in Florida waters and in the very attractive lakes of Minnesota.

Mr. Hopkins has been a director of the Janney Semple Hill & Company for twenty-nine years. Since 1923 he has held the position of treasurer of this firm, which is one of the largest wholesale hardware organizations in the Northwestern trade area, which includes the Ninth Federal Reserve District.

In his credit association affilia-

N. A. C. M. Chiefs to Gather This Month In New Orleans, La.

National Board of Directors and Secretarial Council as Well as Credit Methods and Practice Committee will Hold Sessions.

New Orleans will feature quite extensively in the events of the National Association of Credit Men during the month of January. For the first time in the history of the New Orleans Association, the National Board of Directors will hold their mid-year meeting in New Orleans on January 16th, 17th and 18th. The National Board members and executive staff will be guests of the New Orleans Association at the annual dinner meeting of the local association.

tions, Mr. Hopkins' record reads as follows:

President Minneapolis Association of Credit Men, 1898.
District Chairman Credit Protection Drive, 1929.
Director Northwestern Jobbers Credit Bureau, 1920-1934.
President Northwestern Jobbers Credit Bureau, 1926-1933.
Director Minneapolis Association of Credit Men, 1896-1899.
Reelected, 1931-1934.

At the Milwaukee Convention, Mr. Hopkins was elected the Vice-President of the National Association of Credit Men and was re-elected at the Los Angeles Convention. Mr. Hopkins gave willingly of his valuable services for several important assignments on the program of the National Association.

Mr. Hopkins is financially interested in several representative business firms in the Twin City area and is considered one of the most successful business men in the Northwest.

The retirement of Mr. Hopkins from active participation in the counsels of the credit organizations of the Northwestern area will leave a place difficult to fill. He has given freely of his time and efforts for every sort of an endeavor which he thought would bring about an advancement of the credit executive's position in his trading area.

The Secretarial Council will also hold its first meeting in New Orleans on January 13th and 14th and the National Credit Methods and Practice Committee will hold its meeting in New Orleans on January 14th and 15th.

The Secretarial Council is an advisory committee elected from among the secretaries and managers of all the Associations and their meetings are of considerable importance in working out inter-Association activities and matters of policy on the service departments.

This year's meeting of the National Credit Methods and Practice Committee will be one of the most important ever held by that Board in the history of the National Association as several items relating to the development and advancement of credit interchange will be decided at this session.

These dates, starting with January 13th and closing on January 18th, will be among the more important in the fiscal year of the National Association.

Fred Schrop's Son Dies in South Bend

South Bend.—James A. Schrop, 15 year old son of Fred H. Schrop, a former N.A.C.M. director died just before Christmas. The boy had given great promise as a leader in his school and church activities. The cause of death was a streptococcal infection. Messages of condolence were received by the stricken father from hundreds of N.A.C.M. friends.

New Member Is Hailed by Gong in Grand Rapids

Grand Rapids, Michigan.—The Grand Rapids Association of Credit Men has in E. B. Neuman, of the National Brass Company, a membership committee chairman who knows how to get results.

The campaign will cover a prospect list of sixty (60) firms. Results so far have been excellent and it is expected there will be a substantial increase in the membership through the co-operation of the members.

"Ed's" trump card in this drive is one that is entirely original. Ed has had installed in front of his office a huge brass bell, and hammer. Whenever one of the members on his committee reports a new member, Ed goes out and takes a whack at the bell, the musical boom of which can be heard for miles.

We all thought Ed would be stumped the night the kids in the neighborhood got at the bell, and slugged it six or seven times, before beating it. Ed did have to work overtime to make the number of members equal the strokes of the bell, but says he believes from now on it might be a good idea to have the kids out every night.

Issue New Bulletin on Latin America

A new bulletin recently issued by the Bureau of Foreign and Domestic Commerce gives information relative to suits at law in Latin America. The bulletin covers the different types of civil action and proceedings in the Argentine law. Comparative references are also made to the civil court procedure of Brazil, Mexico and other countries of Latin America. Copies of this bulletin may be obtained at 5c each from the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, D. C.

Friday the 13th Draws Crowd in Cincinnati, O.

Cincinnati, Ohio.—Friday, the 13th, was not an unlucky date for the Cincinnati Association of Credit Men for on that night was held the best Christmas Party the association has enjoyed in a number of years.

Among the features of the entertainment for the Christmas Party was a one-act play written by Harry O'Neill Voss, and presented by six members of the local associations.

Santa Claus Brings Much Cheer to Boston's Big Christmas Fete

Boston, Mass.—The Christmas Party of the Boston Credit Men's Association was held at the Hotel Bradford on Tuesday evening, December 10. This has become one of the annual features of the Association and an anticipated event each year by the members and their friends.

Chester C. Gray of The Boston Post was general chairman of the committee, assisted by James A. Mawn of the Gulf Refining Company; Laurence S. Day, W. F. Schrafft & Sons Corporation; Fred S. Arnold, Ludlow Mfg. & Sales Company; Charles A. Colton, the Boston Evening Transcript; and Joseph M. Paul, secretary of the Association.

At the head table with Mr. Osbon W. Bullen, Lever Brothers Company and Mrs. Bullen was Mr. Paul Fielden, Eastern Vice-President of the N.A.C.M., Mrs. Fielden and other invited guests.

Even the sometimes disillusioned credit men and women finally had to believe that there really was a Santa Claus because he was actually present and delivered gifts from a highly decorated Christmas tree. The gifts to many well-known members in the Boston Association were of the individualistic type and accompanied by a poem read by Santa Claus himself and the gift delivered in person to each recipient.

Delightful entertainment was furnished by a well-known Boston radio star, and an exhibition dancer, with James A. Mawn as master of ceremonies.

A large number of gifts were donated by members and friends of the Association and these were drawn as attendance prizes during the course of the evening.

There was not an idle moment throughout the evening and general dancing was enjoyed with the able assistance of Kenneth G. MacKay's Melody Men's augmented orchestra.

Two hundred and sixty-five were served at dinner.

C. of C. Head Speaks at Richmond Dinner

Richmond, Va.—Alvin M. Smith was the speaker at the annual Christmas meeting of the Richmond Association of Credit Men. Mr. Smith is President of the Richmond Chamber of Commerce and Secretary of his Trade Association. This Christmas session was one of the largest held this year by the Association which will serve as host at the next National Convention of N.A.C.M. next June.

Grand Rapids Women Hold Christmas Fete

Grand Rapids, Michigan.—The Credit Women's Group of the Grand Rapids Association of Credit Men held its annual Christmas party on December 3rd at the Association of Commerce Cafeteria. Games, contests and prizes with music entertainment marked this special holiday event among the women members of the Grand Rapids Association. An agent of Santa Claus was on hand and distributed gifts to those present. Miss Blanch Crosby, Miss Juanita Eggleston, Miss Helen Blom, Miss Florence Vierheilig, Miss Edith M. Moore and Miss Mary Orth comprised the committee in charge of this program.

National Directors of Food and Allied Lines Meet at N.A.C.M. Office

The board of directors of the National Food and Allied Products, Credit Division had its regular meeting in the NACM offices on December 6th. Chairman Frank H. Wheat of the Federal Match Sales Corporation presided. In attendance were: Frank H. Wheat, Federal Match Sales Corp., New York, N. Y.; A. P. Brigham, Jr., Pet Milk Sales, St. Louis, Mo.; A. F. Norris, Penick & Ford, New York, N. Y.; Osbon W. Bullen, Lever Bros., Cambridge, Mass.; King Jones, Drackett Chemical, Cincinnati, O.; Charles Shelley, Wm. S. Scull Co., Camden, N. J.; E. G. L'Ecuier, Joseph Burnett Co., Boston, Mass.

Plans for greater usage of the Group service were discussed. The program for the Group meeting at the Credit Congress in Richmond next June was also tentatively outlined. Items requiring revision in the Group's Constitution were also gone over.

This Group consists of approximately 150 of the representative national food and allied line concerns of the country, and is now in its seventh year.

Issue Yule Bulletin

Philadelphia, Pa.—The Credit Women's Club issued its bulletin, "Credit Chatter" in an attractive form this year. The style was quite like that of an attractive Christmas card, in scarlet and silver.

C. F. Baldwin to Be Speaker for Omaha Meeting

Omaha, Nebraska.—A January session of the Omaha Association of Credit Men will be held on January 16th at the Chamber of Commerce headquarters. The speaker will be Charles F. Baldwin, Manager of the Washington Service Bureau of the National Association of Credit Men. The Retail Credit Men's Association will join with the Omaha Association for this session in order to listen to Mr. Baldwin tell of the Washington situation and give some side-lights on the new federal Social Security Act.

The membership committee is now operating in four groups, each group under the captaincy of a special leader. Prospect cards have been distributed to each of these four groups and there is now an exciting race going on as to who will receive the grand prize of \$125.00 which is offered in connection with a trip to the National Convention to be held at Richmond, Virginia, next June.

Games and Prizes Draw Big Christmas Crowd to Cleveland Yule Party

Cleveland, Ohio.—The Cleveland Association of Credit Men celebrated Christmas this year at a big party held in one of the main ballrooms of the Hotel Cleveland, on December 17th. The members and their guests gathered for a dinner at 6:30 after which there was a distribution of prizes and a general session at games for which there was a large layout of prizes. After the games were completed, dancing was started at 10:00 and continued during the balance of the evening.

A large number of advance reservations received for this event made it necessary for Secretary Wells and the Christmas party committee to arrange for larger quarters at one of the largest hotels in Cleveland. It is now considered one of the big social functions of the year in the Cleveland Association.

Tells of Travels

Kansas City, Missouri.—H. G. Moore, a former president of the National Association of Credit Men elected at the Salt Lake City Convention in 1915, and now a world traveler, was a recent speaker at the Chamber of Commerce luncheon in this city. In his talk here, Mr. Moore covered some of the aspects of international trade, which he has observed in the past twelve years.

National Staff On Numerous Visits in Dec.

The members of the National staff made a number of addresses during the month of December. Executive Manager Henry H. Heimann had an especially busy schedule during the past month being required to use aeroplane transportation in order to make connections for some of his meetings.

He spoke in New York on the 7th of December at the National Conference on Debtor Relief Laws at the Hotel Waldorf-Astoria. His subject at this meeting was "Debtor Relief as Affecting Business." His talk was widely quoted in New York newspapers. Other meetings during December included conferences in Washington, talk before the Knoxville, Memphis, Chattanooga, and Nashville Associations and also conferences in St. Louis and Chicago, getting to Niles on Christmas Eve in time to celebrate the holiday with his family.

Assistant Executive Manager David A. Weir talked at Birmingham on December 4 and on December 12th at a noon session with the Kiwanis Club at Bethlehem, Pa., and that same evening addressed the Lehigh-Valley Credit Men's Association at Allentown, Pa. Mr. Weir also called to visit several Associations on matters connected with N.A.C.M. policies and attended two conferences in Washington relative to legislation affecting credit matters.

Charles F. Baldwin, Manager of the Washington Service Bureau is slated for a trip through the mid-Western area opening with a talk at Wichita on January 13th; Kansas City on January 14th; St. Joseph, January 15th; Omaha, January 16th; and Sioux City January 17th. In all of these talks Mr. Baldwin will tell of the work of the Washington Service Bureau and how N.A.C.M. members can use this Bureau to best advantage.

R. D. Scamehorn and Charles E. Scully of the Fraud Prevention Department of the National Association, talked at the joint meeting of the Connecticut Associations held at Bridgeport on December 4th. They outlined the work of this department as it is now conducted from the National office.

Big South Bend Party

South Bend, Ind.—The annual Christmas party of the South Bend Association, which was held this year at the Knights of Pythias ball room, drew an unusually large attendance. More than fifty reservations were received from Goshen and Elkhart alone. The St. Joseph-Benton Harbor chapter also sent a large delegation.

Credit Career



It is no mean accomplishment for a man to give a life-time of loyalty to an organization. It is something the organization needs to take account of in times like these when loyalties of this sort are not so plentiful.

Horace S. Collinsworth has meant so much to the Atlanta Association of Credit Men, it would be a real folly to expect anyone to put it into words. The Atlanta Association of Credit Men was organized on May 1st, 1901. Mr. Collinsworth was a charter member, and from that good day down to the present time he has carried the interest of his Association close to his heart, as is attested by the work he has done for it.

He came to Atlanta from Grantville, Georgia, in December 1894, and took a position as bookkeeper for the Gramling-Spalding Company. He was elected Secretary and Credit Manager in May 1897.

Funeral services for Mrs. Anna Leavens Haight, 85, mother of P. M. Haight, President of the National Association of Credit Men, were held in Montclair, New Jersey, late in November. Mrs. Haight died after an illness of several months. Burial was in the Hillside Cemetery at Peekskill, New York, the city in which Mrs. Haight was born.

Preview of 1936

Boston, Mass.—Donald S. Tucker, professor of Economics at M.I.T. spoke on December 18 before the Boston chapter of the National Association of Cost Accountants. Members of the the Boston Credit Men's Association were especially invited guests at this meeting and a large number took advantage of the invitation.

His progress in his business career was steadily upward, the corporation of Gramling & Collinsworth of which he is now President, having been formed in January 1924.

In 1919 he was made President of the Atlanta Association, serving two terms to May 1921. In June 1921 he was elected a National Director, serving two years to June 1923. Most of these years he has been a definite part of the Atlanta Association, serving in some significant capacity, as President, Vice-President, Committee Chairman and Director; at the present time being a member of the Executive Committee. He has attended some eighteen National Conventions, which is a record in the Atlanta Association.

Mr. Collinsworth is an outstanding leader in his community, always found in the vanguard of worth-while civic and religious enterprises. At the present time he is Chairman of the Board of Deacons of the Second-Ponce De Leon Baptist Church. His hobby is golf.

Mr. Collinsworth has typified the highest good in everything with which he has been associated. He was married in 1900 to Miss Gertrude Harrison, and there are four children, one son and three daughters, and one grandson. His son, Horace S. Collinsworth, Jr., is a member of the organization of Gramling & Collinsworth.

No tribute would be too great for the Atlanta Association to pay Horace Collinsworth for his years of sincere, sustained interest in the affairs of Credit nationally, and in a more concrete way in his local Association.

James E. Smith Joins John Lucas Company

James E. Smith, who has served the Association capably for a number of years both as Collection and Adjustment Bureau Manager of the Rochester Association and later of the Philadelphia Service Corporation unit, left on January 1st to take a position with the John Lucas Company, paint manufacturers.

This company is active in Association work in various branches throughout the country and Mr. Smith, therefore, will remain in a position to keep up his contacts with and interest in credit association work.

For the present at least Mr. Smith will be associated with the Philadelphia office of the John Lucas Company.

Bankruptcy Law Is Discussed at Detroit Session

A meeting of the National Bankruptcy Conference was held in Detroit, Mich., December 13th, 14th, 15th, under the Chairmanship of Paul H. King, Referee in Bankruptcy, Detroit, Mich.

The National Association of Credit Men was represented by W. Randolph Montgomery, Counsel, and Brace Bennitt, Secretary to the Conference.

The conference redraft of the Bankruptcy Act which is now in government committee print was gone over and plans discussed for consideration by Congress at the coming session.

It is hoped that an early meeting between the Judiciary Committee and a committee of the Conference will be productive of valuable further steps in the interests of business.

Women's Club is Sponsor for Big Christmas Party

Philadelphia, Pa.—The Women's Credit Group of the Credit Men's Association of Eastern Pennsylvania sponsored the Annual Christmas Party on December 12th, which turned out to be one of the outstanding social events in the history of the Philadelphia Association.

The entertainment committee was composed of Mary M. Pearson, Marguerite J. McCluskey, Evelyn McLaughlin, and Ethel S. Pallatt. This committee was assisted by William G. McNinch, A. L. Hanigan and C. W. Craig, Jr. Miss Gertrude V. Tonneson of the Quaker Oats Company acted as Chairman of the Decorations Committee. Prizes were donated by members of the Association for distribution at the door during the entertainment. Something more than three hundred reservations for the party were received. It was held at the Arcadia Cafe, one of the largest night clubs in Philadelphia. The Guy Lombardo orchestra provided music for dancing and for the floor show.

Talks on Letters

Milwaukee, Wis.—Prof. John Creamer, of the University of Wisconsin, gave a very interesting talk before the educational class on December 9th. His subject was "Business Letters." On December 19th, Attorney H. J. Potter talked on Remedies and Rights of Creditors. He discussed such items as bulk sales laws and bad check statutes.

N. Y. Conference Debates Laws to Relieve Debtors

H. H. Heimann One of Speakers Heard on December 7

A conference was held on Saturday, December 17th, in the Astor gallery of the Waldorf-Astoria, New York, under the auspices of the School of Law of New York University, on the general subject of Debtor Relief Laws. Among those who addressed the conference were Henry H. Heiman, executive manager of the National Association, and W. Randolph Montgomery, general counsel for the National Association. Others who spoke were Edwin S. Sunderland, chairman of the committee on bankruptcy of the Association of the Bar of New York City; John Gerdes, Professor of Law, New York University, and Senator Lyon J. Fraser of North Dakota, as well as Mayor LaGuardia of New York City who spoke on debtor relief and the present economic situation.

Mr. Heiman's subject was "Debtor Relief as Affecting Business." He said that the creditor has been placed on the defense and that until very recently, the popular panacea for all economic ills seemed to be the relief of debtors, without any regard to creditors' rights.

"An analysis of the problems would be less difficult if we were dealing only with our own generation," Mr. Heiman said. "Most every creditor is a debtor in some respect and debtors, in turn, are generally creditors in certain directions. Deny to the creditor the right to his property and the only result can be that he will not in the future jeopardize his property."

Mr. Heiman pointed out that the effect so far of debtor relief laws has been a slight restriction on credit from all sources. "The fact that the restriction has only been nominal is the best evidence of the faith of the American people in their fellowmen," Mr. Heiman said.

Mr. Montgomery led the discussion of the general subject "Federal Relief for Farmers" after Senator Frazier had delivered his talk upon that subject.

The various talks delivered at this conference were widely publicized in the New York metropolitan newspapers.

Thomas D. Thacher, former solicitor general of the United States, gave an interesting review of recent debtor relief legislation in various states. He pointed that so

Credit Career



Harold Howell Kase, credit and collection manager for the Taylor Instrument Companies, Inc., of Rochester, New York, was the 30th President of the Rochester Association of Credit Men, serving during the years, 1927-'28 and '29. He is one of five presidents of the Rochester Association who has served more than one year since the Association was organized in 1896.

While Mr. Kase now declares, when asked about his credit association activities, that his work is mostly in the past, nevertheless, he is on hand for counsel and advice on every problem confronting the Rochester Association. He has served the National organization as a National Director for a term.

He was Chairman of the Roches-

ter district drive at the time the Credit Protection Fund was raised some years ago and has also been active on several assignments to National committees in the past year.

Mr. Kase has lived in the Rochester area for most of his life and received his education in the West High School of Rochester and also the Henrietta Academy near Rochester. He informs us that his first job was with the Gibson-Snow Company, wholesale druggists, as an errand boy. From that position he went to the Lincoln National Bank as a messenger and then worked up to the Bookkeeping Department. He then went to the Rochester Stamping Company in the cost department. After spending some time there he obtained a position with the Taylor Instrument Companies and entered his work on that job on October 1st, 1913. He has been with the Taylor Instrument Companies since that time.

He became associated with the Rochester Association of Credit Men in the term of G. W. Fulreader and has been a representative of the Taylor Instrument Companies in the Rochester Association since 1920.

Mr. Kase was first elected to the Board of Directors during the term of C. B. Ostrander who was president from 1926 until 1927. Mr. Kase was then moved up to the vice-presidency of the Association the same year that David C. Barry was elected president. Owing to Mr. Barry's resignation, when he left Rochester, Mr. Kase was named president to serve out the Barry term. After serving as president for two and one-half years, Mr. Kase was elected to the board of directors and at the Milwaukee Association was named a member of the National board of directors.

Mgr., Wheeling A. C. M., 206 Nat'l Bank of W. Va. Bldg.

WISCONSIN—Fond du Lac—Mr. Leo N. Richter, Secy., Fond du Lac A. C. M., P. O. Box 213.

Green Bay—Mr. R. C. Creviston, Secy.-Mgr., Northern Wisc.-Mich. A. C. M., 200 Northern Bldg.

Milwaukee—Mr. Jas. G. Romer, Secy.-Mgr., Milwaukee A. C. M., 632-646 Milwaukee Gas Light Co Bldg.

Oshkosh—Mr. Charles D. Breon, Secy., Central Wis. A. C. M., 311-312 First Nat'l Bank Bldg.

HAWAII—Honolulu—Mr. N. B. Young, Secy.-Mgr., Honolulu A. C. M., P. O. Box 174.

PHILIPPINE ISLANDS—Manila—Mr. J. F. Cotton, Secy., Association of C. M., Inc., (P. I.) P. O. Box 882.

National Credit Bureau, Detroit, Not in N.A.C.M.

Detroit, Mich.—The National Credit Bureau Interchange, 32 Melbourne avenue, Detroit, is not connected in any way with the Detroit Association of Credit Men or with the National Association of Credit Men. Because of the similarity of names, many inquiries have been received as to the possible connection between this outfit and the N. A. C. M. Credit Interchange Bureaus.

It is not at this time possible to give full information about the National Credit Bureau Interchange except to state that it has no connection whatsoever with the affiliated Associations in the National Association of Credit Men.

Request has been made that any person who has been led to believe either through personal solicitation or otherwise that the National Credit Bureau Interchange is an affiliate of the N.A.C.M. Credit Interchange system, should notify Roy Colliton at once at St. Louis, Mo. Commerce Building.

CLASSIFIED ADS

"A New England Protestant American with a back ground of twenty-seven years experience is open for position as Credit, Collection and Office Manager. Record of achievement beyond question, supported by credentials of highest order. Forceful, tactful and unusual correspondent. Member of societies demanding highest character. Thoroughly versed in accounting." Address P. C. A., c/o National Association of Credit Men, 1 Park Ave., New York City, Box 5.

CREDIT MAN.—Long, varied experience. Co-operates with sales department. Uses collection methods that hold the customer. Location and salary immaterial. Address Box 1, National Association of Credit Men, One Park Ave., N. Y.

Credit man and accountant available. Constructive thinker with a record of accomplishment. Systematizer and hard worker. Public accounting experience. Experienced as treasurer and in installment sales and collections. Can assume responsibility and produce results by applying sensibly modern methods to practical problems. Age 42. Married. Can locate where opportunity offers. Address Box 2, Credit & Financial Management, No. 1 Park Ave., New York.

DO YOU NEED A CREDIT EXECUTIVE? Twelve years experience all phases Credits and Collections. College graduate—B.B.S. Degree. Have a Senior Certificate, National Institute of Credit. Have Specialized in law, credits and collections. Capable of assuming responsibility. Willing to locate anywhere in Eastern section of the United States. Reply Box No. 3, care Credit and Financial Management.

"A New England Protestant American with a background of twenty-seven years experience is open for position as Credit Collection and Office Manager. Record of achievement beyond question, supported by credentials of highest order. Forceful, tactful and unusual correspondent. Member of societies demanding highest character. Thoroughly versed in accounting." Address P. C. A., c/o National Association of Credit Men, 1 Park Ave., New York City, (Box 4).

Plans Membership Directory

New Orleans, La.—The New Orleans Association shortly will issue a membership directory. Secretary Cobb has just distributed blanks to member firms for listing the names of representatives, their addresses and telephone numbers.

Local Associations

(Continued from page 41)

Parkersburg—Mr. J. W. Wandling, Secy., Parkersburg-Marietta, A. C. M.

Wheeling—Mr. E. K. Pfeil, Secy.-

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Seattle Credit Men Will Wear Big Name Tags

Seattle, Washington.—Members of the Seattle Association of Credit Men will wear identification buttons hereafter when attending the social sessions of this Association. The identification buttons are quite similar to those used in the Rotary Clubs and give the name of the individual as well as the firm represented. The buttons are kept on a board placed handy to the meeting place and then deposited on the board by the members after the sessions are over.

This form of identification, it is thought, will greatly help in bringing about an informal friendship between members attending Association meetings. Through the use of these buttons it will be much easier for individuals to introduce themselves to other members.

Must Follow Up Judgment With Lien, Says Court

New York.—When a creditor obtains a judgment against a debtor, it behooves the creditor to file a lien against assets at once, according to an interesting decision in a Federal Court here during December. Says the Daily News Record of this case:

"The decision is the first one of its kind holding that where before bankruptcy, a judgment creditor has realized upon a judgment recovered more than four months prior to the bankruptcy, but the judgment creditor not having acquired his lien upon assets of the bankrupt until with the four months' period before bankruptcy, the law will regard the transaction as a transfer by the bankrupt of his property, despite the fact that the bankrupt did not do anything to assist the judgment creditors in realizing upon the assets.

The suit was brought to recover the proceeds of what was claimed to be a voidable preference within the purview of the bankruptcy act. Under section 60-B of the act, which prescribes the occasions when a trustee may set aside a preference, the statute specifies that the bankrupt must have transferred the property within four months of the bankruptcy, or a judgment must have been recovered within the four-month period. In the instant case, the judgment had been recovered approximately a year before the bankruptcy, and under the laws of this State, no lien was required under the judgment until about a month before the bankruptcy, when, for the first time, the creditor issued execution to the city marshal.

Luncheon Programs Prove More Popular Than Dinner Sessions

Milwaukee Provides Good Program at Noon Meetings

Milwaukee, Wisconsin.—The Milwaukee Association of Credit Men is finding an excellent response to its program of monthly luncheon meetings which started on November 21st and continued on December 19th.

A speaker is provided for each one of these sessions. Door prizes are awarded and adjournment is made promptly at 1:30 so that the members are not away from their desks too long in attendance at the luncheon sessions. Because of the popularity of the opening luncheon, the December session was moved to the City Club because of the increase in attendance over the previous session. Daniel W. Hoan, Mayor of Milwaukee, spoke at the December 19th luncheon, his subject being "The Relation of Municipal to Private Credit."

It has been the experience of the Milwaukee Association in previous years that these luncheon meetings draw a much better attendance than sessions scheduled for an evening dinner.

Seattle A.C.M. Hears Shooting of Dan McGrew

Seattle, Wash.—"The shooting of Dan McGrew" was presented by the Automotive group as one of the features of the annual Christmas party held on December 16th. Ned Stack, of the Richfield Oil Company, took the part of "Dangerous Dan."

At the dinner session, Hon. William G. Long, of the Superior bench, gave an interesting talk on "Nothing But the Truth." The Christmas party after the dinner was in charge of Miss Hazel Monaghan, who prevailed upon Santa to visit the function and distribute prizes to those attending.

Denver Lists Prospects

Denver, Colo.—In preparation for an intensive membership campaign which will be started shortly after the New Year, the prospect committee has completed a long list of names to be called upon by those who will engage in the drive for new members. A trip to the Richmond Convention to the person bringing in the largest number of new members, is the inducement offered for this campaign, in addition to the pleasure of helping to build the local association.

Bridgeport is Host to Three Other Groups in Connecticut, Dec. 4th.

Bridgeport, Conn.—The Bridgeport Association of Credit Men was host to the other three Connecticut Associations on Monday, December 4th. Nearly one hundred credit men from these four Associations were present at the dinner meeting.

Talks were made by Charles Scully and Ross D. Scamehorn of the Fraud Prevention Department of the National Association on the work of their department and also by Harry Schwartz, City Attorney of Bridgeport who spoke on the merit system in municipal employment.

The interest shown at this meeting in Bridgeport brought out the suggestion that other Connecticut gatherings will be held later in the year.

S. Jane White Named Credit Club Leader

Cleveland, Ohio.—The Women's Credit Club of the Cleveland Association of Credit Men will be directed during the coming year by Miss S. Jane White of the Cleveland Ice Cream Company as president of the club. Mrs. Olga McAree of the John A. Roebing's Sons Company has been named Honorary President of the club. Miss A. M. Tracey of the Universal Valve and Fittings Company will serve this year as Treasurer and Mrs. Florence Flickinger of the Cleveland Association will continue to act as Secretary. Mrs. McAree has again been appointed to serve on the National Credit Women's Executive Committee.

Back at Desk

Little Rock, Ark.—Mrs Lillian B. Periman, manager of the Little Rock Association of Credit Men, is back at her desk after six weeks spent at home caused by bone fractures received in a fall. Mrs. Perlman maintained phone connections with her office during her enforced layoff and maintained close contact with the office work.

Hold Yule Party

The annual Christmas Party of the Women's Group of the New York Credit Men's Association was held on December 17th in the club rooms of the Building Trade Employers Association at Number 2 Park Avenue. Miss Anne Spitzer of the International Handkerchief Manufacturing Company was director of this Christmas Party.

Des Moines Tops in Campaign on Check Cash Fee

Des Moines, Ia.—The campaign by the Des Moines Credit Mens Association against bank charges for cashing checks has had effect in other states, according to Don E. Neiman, secretary of the credit unit.

Recently the association asked its members whether local banks were making such charges. Admitting that some service charge might be necessary to permit the bank to show a fair profit, the association urged that such a charge be put against the person issuing the check rather than the one receiving and cashing it.

Folders reiterating the question were reprinted for circulation by members, and Mr. Neiman said he had received a request from a bank in Illinois and an oil company in the east for further information.

"The bank asked what we would propose as a substitute," Mr. Neiman said. The association, he pointed out, contends that the charge is permissible but misapplied when made against the recipient of the check rather than against the man who issues it.

Credit News, Is Name of Chicago A.C.M. Magazine

Chicago.—Members of the Chicago Association of Credit Men are showering compliments upon Jeff O'Keefe and his staff because of the excellent initial issue of "Chicago Credit News," the monthly magazine published by the Chicago A.C.M. The publication formerly was called the Chicago Credit Bulletin.

About six months ago the publications committee started out to make revisions in the Association's publication and to find a name for it which would be in keeping with the importance of the Association's work in the Chicago area. A prize of \$10 has been awarded to L. E. Schroeder, of the George E. Watson Company for the suggestion for the name which the committee adopted.

The new magazine is 8½ x 11½ inches, the initial issue having 24 pages with self cover. The 3-column format was adopted with heading type of the same style as is used in the January issue of Credit and Financial Management. It is planned to sell advertising space to those interested in presenting their announcements.

R. S. V. P.

Information in credit files must be down-to-date. Constantly changing commercial conditions cause constant changes in the status of buyers abroad. Reciprocal reports of the Foreign Credit Interchange Bureau are authentic indications of how these trade winds are blowing—generally and specifically.

Generally—because Foreign Credit Interchange Bureau reciprocal reports keep you down-to-date on how foreign buyers, on the whole, are paying other American exporters.

Specifically—because Foreign Credit Interchange Bureau reciprocal reports can keep your file on an individual account accurate and timely and ready for reference when you need information on the paying habit of a foreign buyer.

Foreign Credit Interchange Bureau reciprocal reports cost members nothing. Their number is unlimited, depending entirely upon the number and buying activity of your foreign customers. Reciprocal reports are current paying experiences—inside information incomparable!

To gain the distinctive advantages of this service, tie in your export credit department with the

FOREIGN CREDIT INTERCHANGE BUREAU

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ZEBRAFFAIRS



The PITTSBURGH HERD at its recent meeting initiated six duly qualified new Zebras. Dick Fried of Fried & Reineman was elected Superzebe for the year, succeeding Jack Schaffer, who of course continues as Grand Divizeb for the eastern section of the national organization.

ST. PAUL HERD held an open night, inviting members of the Association and their families for an evening of cards, dancing and a Dutch lunch. Superzebe E. W. Budke arranged the affair, which was attended by some eighty people from the Twin Cities.

HOT SANDS



This sketch, drawn by one of the staff artists of the *Seattle Times*, depicts the expression of "heat" registered by some of the "lowly mules" who crossed the "burning sands" at the time of the Western Division Secretary-Managers' Meeting in Seattle late in October. Several of the Managers in the Western Division were initiated at this meeting. As a result of these initiations, new Herds are now being planned in several Western Associations.

The official charters for the approved Herds have been mailed to the local Superzebs signed by National Grand Exalted Superzebe A. D. Johnson of Los Angeles and the Regional Grand Zebratary. The Herds at this date are as follows in the order of their formation:

- Charter No. 1 Los Angeles, Cal.
- Charter No. 2 San Francisco, Cal.
- Charter No. 3 Seattle, Wash.
- Charter No. 4 Portland, Ore.
- Charter No. 5 Oakland, Cal.
- Charter No. 6 Tacoma, Wash.
- Charter No. 7 Memphis, Tenn.
- Charter No. 8 Newark, N. J.
- Charter No. 9 Cleveland, Ohio.
- Charter No. 10 Chicago, Ill.
- Charter No. 11 St. Louis, Mo.
- Charter No. 12 Detroit, Mich.
- Charter No. 13 Pittsburgh, Pa.
- Charter No. 14 St. Paul, Minn.
- Charter No. 15 Dallas, Tex.
- Charter No. 16 Charleston, W. Va.
- Charter No. 17 New Orleans, La.

San Francisco, California. — The San Francisco Herd of Zebras has its own monthly bulletin called the "Hee Haw." Herbert Fletcher is the editor, with Irving Wright and Herbert Kelly associate editors. The December 9th issue of the "Hee Haw" gives some interesting news items about events in the San Francisco area of interest to the Zebras. One of the items in that issue had to do with the loss of some of his articles of clothing by Grand Zebratary Owen Dibbern at a recent session of the San Francisco Herd.

The first of the regular monthly meetings of the San Francisco Zebras will be held on January 10th. The committee in charge is arranging for a dinner and entertainment which will be different. Guests will be entertained as prospective Zebras.

Memphis, Tenn. — The annual dance of the Memphis herd of Zebras at the Chisca Hotel on Saturday, December 11th, was one of the bright spots of the social year of the Memphis Association of Credit Men. The dance began at 9:30 and closed when the guests decided they had danced long enough to the enchanting music of the Jack Richmond Orchestra.